

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**OF THE
CITY OF SIOUX CITY, IOWA**

FOR THE YEAR ENDED JUNE 30, 2004

PREPARED BY

FINANCE DEPARTMENT

**CITY OF SIOUX CITY, IOWA
INTRODUCTORY SECTION**

**CITY OF SIOUX CITY, IOWA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2004**

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THE COVER

This year's cover is a photo of recently rehabilitated Rose Garden. The rehabilitation project is a public/private partnership in which the City is funding the grading, lighting, and walkways. The City has allocated \$125,000 of general obligation bonds to fund this project. The Chamber Community Development Committee has provided additional support in the form of community donors and stone pavers / bench sponsors to help fund the paving stones and other improvements. The total amount funded through the Chamber has been \$69,606.

The project goal is to restore the Rose Garden to its original design as much as possible. A new fountain was installed featuring the pineapple symbol representing friendship. To date, Phase I has been completed with the installation of the fountain, 135 pavers, ten benches, and several hundred tea, hybrid, and floribunda roses. Phase II construction has begun to the east of the complete Phase I and will include concrete work, additional benches, more floral beds, and sod work.

Contributions to this project can be arranged by contacting the Chamber Community Development Committee through the Sioux City Chamber of Commerce at 712-255-7903.

ABOUT SIOUX CITY, IA

The City of Sioux City, Iowa has had a long and colorful past. Founded in 1854 its roots go back to the days of the early fur traders. Located in the center of America's heartland, Sioux City is located at the confluence of the Missouri and Big Sioux Rivers at the junction of the States of Iowa, Nebraska, and South Dakota. This Tri-State area is known as Siouxland.

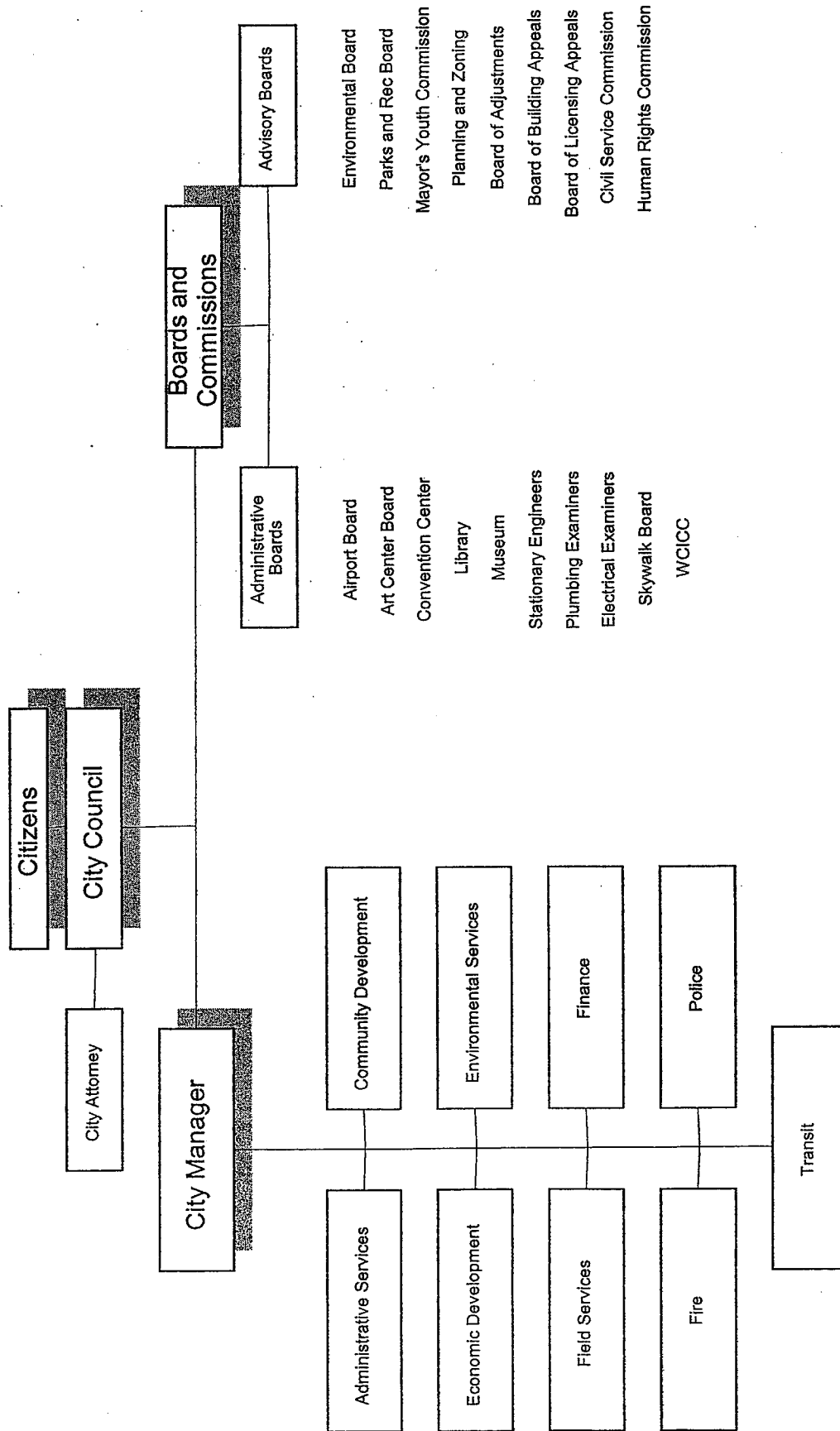
Sioux City was a major transportation and marketing center, behind only St. Louis and Chicago. In the 1880s, Sioux City gained the reputation of being wild, corrupt and uncivilized place due to the many political scandals and open defiance and conflict over such matters as the temperance laws.

On April 28, 1953, voters of Sioux City approved the City Council and Manager form of government. In 1962, Sioux City was awarded the "All-America" city status by Look Magazine and the National Municipal League. Again, in 1990, Sioux City received the "All-America" city designation.

Sioux City has become known as a regional medical community servicing the area covered by a 50-mile radius. Sioux City boasts of having two hospitals with over 300 beds each. In 1992, the Siouxland Community Health Center was created to serve the needs of area residents that are without health insurance or lack adequate coverage. The Center is funded by a grant from the Federal Government and is supported by several community organizations and agencies. In addition to having the latest in hospital services available, the medical community offers a family practice residency program.

Siouxland is the headquarters to many national companies including Gateway, IBP, Inc., Soo Honey Association, American PopCorn, Aalfs manufacturing, Terra Industries, Inc., Wilson Trailer, Inc., and Great West Casualty Company.

City of Sioux City



SCHEDULE OF CITY OFFICIALS

June 30, 2004

Elected Officials

Mayor	David Ferris	January 1, 2006
Mayor Pro Tem	Karen Forneris	January 1, 2006
Council Member	Craig Berenstein	January 1, 2008
Council Member	Martin Dougherty	January 1, 2006
Council Member	Jason Geary	January 1, 2008

Term Expires

Council Appointed Officials

City Manager	Paul Eckert	March 22, 2002
City Attorney	James Abshier	October 17, 1983
City Clerk	Robert Padmore	September 7, 1999

Date of Appointment

City Manager and Board Appointed Officials

Director of Finance	John Meyers	June 30, 1979
Fire Chief	Robert Hamilton	May 16, 1988
Executive Director Convention Center, Auditorium and Tourism Bureau	Dennis Gann	November 16, 1990
Police Chief	Joe Frisbie	April 28, 1997
Director of Human Rights Commission	Karen Mackey	March 22, 2004
Art Center Director	Albert Harris	March 25, 2002
Museum Director	Steve Hansen	December 17, 2001
Transit General Manager	Dan Jensen	March 1, 1993
Director of Community Development/Planning	Jerry Hanson	December 11, 2000
Director of Environmental Services	Paul Nolan	March 4, 1995
Library Director	Betsy Thompson	June 21, 1995
Airport Director	Glenn Januska	December 4, 2000
Director of Field Services	Judith Nicolls	January 21, 2002

Date of Appointment



Sioux City®



Offices of the City Manager & Finance Director

City of Sioux City, Iowa

P O Box 447

Sioux City, IA 51102-0447

November 11, 2004

Honorable Mayor
Members of the City Council
Citizens of Sioux City, IA
City of Sioux City, IA

The comprehensive annual financial report of the City of Sioux City, IA for the fiscal year ended June 30, 2004 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

Generally Accepted Accounting Principals (GAAP) requires that the City provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the management discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The financial statements and schedules included in this report reflect all the funds and account groups of the City in accordance with standards set by the Governmental Accounting Standards Board.

The City has established a comprehensive internal control framework that is designed to compile sufficiently reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The comprehensive annual financial report is separated into four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the City's organizational chart, a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada and a list of principal officials. The financial section includes the independent auditors' report, management's discussion and analysis, the basic financial statements, required supplementary information and other supplementary information. The statistical section includes unaudited financial and demographic information, generally presented on a multi-year basis. The single audit section includes information regarding the required single audit in conformity with the provisions of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The single audit section also includes the Schedule of Federal Award Expenditures, Findings and Recommendations, and the auditor's reports on internal control and compliance with applicable laws and regulations.

The Code of Iowa requires an annual audit be made of the books of accounts, financial records and transactions of all administrative departments of the City by the State Auditor or by a Certified Public Accountant selected by the City Council. The audit for fiscal year 2004 was performed by Williams & Company, Certified Public Accountants. Williams & Company concluded that the City

of Sioux City's financial statements for year ended June 30, 2004, are fairly presented in conformity with GAAP. Williams & Company's auditor's report is presented in financial section of this report.

GOVERNMENT PROFILE

The City of Sioux City was incorporated in 1855, and is located in the northwest part of the state. The western border is the Missouri River and abuts the states of Nebraska and South Dakota. The City currently occupies a land area of 60 square miles and serves a population of 85,013. The City is empowered to levy a property tax on real properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council. The City has operated under the council-manager form of government since 1954. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, the City Attorney and the City Treasurer. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms. The City provides a full range of services.

The following schedule details the available services:

<u>Cultural</u>	<u>Fire Services</u>	<u>Police Services</u>	<u>Utilities</u>
Art Center	Suppression	Patrol	Water
Museum	Prevention	Prevention	Sewer
Library	Training	Investigation	Solid Waste
Convention Center & Auditorium/Tourism	Hazardous Materials	Safety	Storm Sewer
<u>Public Works</u>	<u>Community Development</u>	<u>Transportation</u>	
Streets/Bridges/Waters	Planning/Zoning	Airport	
Traffic/Parking	Inspections	Transit	
Engineering	Housing		
Recreation/Aquatics	Economic Development		
Cemeteries	Property		

The State Code of Iowa requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. Any amendments to the City budget must be prepared and adopted in the same manner as the original budget. With the exception of capital improvement projects and encumbrances, all other appropriations, as adopted and amended, lapse at the end of the fiscal year. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Annual budgets are adopted on the basis consistent with generally accepted accounting principles for all governmental funds. The City's budget is prepared on the modified accrual basis of accounting. Budgetary control is mandated by State law at the program structure level for all funds rather than at the individual fund level. The City maintains control over the program structure by reviewing estimated purchase amounts prior to release of purchase orders. Purchases orders are encumbered and open encumbrances are reported as reservations of fund balances at June 30.

The Finance Department is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse. The Department also ensures that adequate data is compiled to allow for the presentation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City continues to demonstrate its responsibility for sound financial management through the statements and schedules included in the financial section of this report.

ECONOMIC CONDITION

LOCAL ECONOMY

Sioux City has grown economically in the past few years with many new developments and improvements in the retail and residential sectors. Industrial growth is still necessary to provide a balance in the area's local economic stability.

Growth is illustrated by continued development of the Woodbury Heights residential area in the western part of Sioux City. Private developers are purchasing land and signing million dollar development agreements for retail expansion to serve this area and the adjacent Dakota Dunes area of South Dakota. A new Fareway grocery store was recently built near Woodbury Heights that will anchor a new Westside retail center.

The Singing Hills commercial development in Southern Sioux City has completed the development of approximately 680,000 sq. /ft. of retail space. This includes a stand alone 200,000 sq. /ft Super Wal-mart in the Northgate area of Singing Hills. Several restaurants such as Culver's and Tony Roma's occupy sites at the Siouxland Towne Center, another retail center on the South Side of Singing Hills near Wal-Mart. On the opposite side of Singing Hills Boulevard, is a smaller retail subdivision with approximately ten lot developments. Recent occupants include Pizza Hut, Kentucky Fried Chicken, Quizno's, Rex's Electronics and Hunan Palace. Another 300,000 sq. /ft. of commercial development have been constructed in the nearby Sunnybrook Development which includes Greatlands Target, Lowe's Home Improvement and McDonald's. Further commercial development is expected in this area. The City provided infrastructure development in these areas.

The Southern Hills Mall, just north of the Singing Hills commercial development, has enjoyed new growth and renovation. New restaurants and stores are nestled in the hub of shopping activity; Chucky-cheese, Barnes and Noble, Scheel's Sports, renovation of Sears and also the Carmike Theaters, and the relocation of JC Penny's Department Store from downtown.

New construction has recently been established along Hamilton Boulevard, a major thoroughfare extending north from I-29 to Plymouth County. Braunger's Commercial Center at 14th and Hamilton and the Retail Center at 19th and Hamilton have welcomed newly remodeled facilities and new restaurants such as Panera Bread, Coldstone Creamery and Blimpies.

Northern Sioux City in the Leed's area along Floyd Boulevard has experienced development with the addition of the new Wal-mart Store. A new Pizza Hut and Dairy Queen supplement this key structure in luring additional retail stores to this area of town.

Downtown Sioux City has also seen growth and renovation. The Woodbury Center along Gordon Drive has several shops such as United Real Estate Solutions and The International House of Pancakes. Central Bank has recently completed a renovation project worth \$2 million along 4th Street between Pierce and Nebraska Streets. The Holiday Inn along Gordon Drive has also completed a \$2 million renovation project. Another project, The Plymouth Block Restoration, entailed the renovation of a major building in the Historic District. The restoration offered the Historic District 36 affordable rental units, 12 market rental units, and office and retail space. The City's involvement included HOME funds and parking lot improvements.

While the retail sector of the City has grown substantially in the past few years, much effort has also been spent on the industrial sector. Gateway, a large computer manufacturer located in North Sioux City, South Dakota recently sold its operations, resulting in several mass lay-offs for many employees. While several value added agricultural industries have added jobs, Sioux City's current 6.4% unemployment rate shows the opportunity for future job growth.

Sioux City will continue to support our Medical hub which consists of Mercy Medical Center and St. Luke's Regional Medical Center. Mercy Medical Center employs 2,050 employees, treats over 200,000 patients annually and has recently completed construction of a \$25 million Heart Center. St. Luke's Regional Medical Center employs over 1,500 employees, treats over 150,000 patients annually and has just completed a \$35 million outpatient center.

The City continues to market new development sites. These sites include the Bridgeport Industrial Park and the former stock yards. The sites provide access to major interstates and highways with lots of 10-140 acres available for commercial and industrial development. The City has numerous aid packages available.

The City is currently working with a developer who has started renovating and improving our Marina facilities. New docks are currently in place. Future plans include a restaurant and hotel.

Further redevelopment is being undertaken in the Floyd Valley Urban Renewal area. In the early years of Sioux City, this area was largely committed to the meat packing industry. With changes in the meat industry, this area is being redeveloped to support new industrial uses. In FY 1999 the City committed \$1.1 million of local funds to demolish a 14 acre hog confinement facility built around 1920. This site is now available for redevelopment. In addition, the Environmental Protection Agency has committed \$200,000 of federal funds for the Brownfield assessment of the Floyd Valley area, to identify areas ready for redevelopment and areas which may need cleanup prior to redevelopment.

The Riverfront along the Missouri River has become a site for new construction. The new Tyson Events Center was completed in December 2003. The Events Center is situated along Interstate-29 and is home for the Musketeers, the local amateur hockey league, while also hosting a variety of concerts and other venues. The former Auditorium has been converted into the Long Lines Family Fun Center, a multiple-use recreation facility, which leads directly into the new Tyson Events Center. Also along the riverfront is the Lewis and Clark Interpretive Center, a key information center for the historical trail.

LONG-TERM FINANCIAL PLANNING

National interest rates have been at record lows in past years in an effort to strengthen the economy. The City has taken advantage of the unusually low interest rates in relation to debt service by keeping the term of loans at a minimum. This allows quicker debt repayment for continued long-term growth rather than spreading smaller payments across a longer period of time. About 90% of the City debt is to be repaid within the next 10 years. City debt increased \$13.3 million from FY03. This increase includes the issuance of two series of general obligation

bonds, \$6.3 million and \$6.08 million, as well as \$15.5 million of debt from the State of Iowa Clean Drinking Water Revolving Loan Program. In addition the City sold \$3.2 million refunding general obligation bonds at a lower interest rate. These refunding bonds were originally sold in 1995 and saved the City \$157,072.

The City has also experienced much growth stemming from low interest rates. For Sioux City, in fiscal year 2004, 1,303 building permits were issued and the value was \$112,172,440. These factors rank second in terms of number and value in the last 10 years, indicating continued growth. With this continual economic expansion, the City has seen an increase in the property tax base. With the addition of many retail centers in the community, sales tax revenue as strengthened, which increases the amount of the local option sales tax revenue for the City. Approximately \$9 million in local option sales taxes are collected annually. 60% of local option sales tax is allocated toward reducing taxes levied for debt service and employee benefit costs, 20% is allocated for infrastructure, 10% is allocated to pay for City Hall new construction debt, and the remaining 10% is allocated toward economic development activities, loans and grants.

Much of the long-term financial growth of the City stems from the use of Tax Increment Financing (TIF). The use of TIF money allows the City make public improvements in the portions of the City where tax increment is set into place. Property owners within a TIF district pay property tax on the entire assessed value of their property. The local governments receive only the taxes levied on the base value of the property. The property value above the base amount is considered the increment value. Any property taxes levied on this increment value are set aside by the City in a separate account. The development costs for the TIF area are paid from this special account. Currently the City has seven tax increment districts.

The City's regional market is enhanced by about \$1.6 million per year from revenues received from the Argosy Riverboat gambling facility. These revenues are derived from various sources of the riverboat operations. The revenues received go into the Event Center debt service and other Capital Improvement Projects (CIP).

The Sioux City Council has been committed to maintaining high quality services while minimizing any property tax increase on the median home. Achieving this goal has only been possible with high quality management and significant growth in our economy, while efficiently utilizing tools such as TIF monies and local option sales tax revenues.

RELEVANT FINANCIAL POLICIES

Each year, capital improvement requests are submitted by various departments for approval. A constant struggle can be the capital improvement program hearings, which are held to decide which of these requests hold more priority than others. The programs can vary anywhere from infrastructure and economic development to new buildings or snow removal equipment. Appropriate funding and maintenance of capital projects are prioritized with operating budget demands. The City's policy is to ensure the future operating costs associated with these acquisitions are then taken into consideration for the operating budget forecasts.

The budget is balanced each year with a long-term outlook that will be positive for the organization and the community. The Finance Department maintains an effective financial management system for accurately reporting annual results as well as monitoring budgetary developments throughout the year. The financial information conforms to and is classified according to the Generally Accepted Accounting Principles (GAAP) for fund accounting.

The City has been conscious of implementing the policy of full service costing. The City has examined specific expenditures/expenses from support services as well as administrative overhead costs and charges benefiting departments accordingly. This policy is upheld to the extent that it is administratively feasible.

The City has been continually been challenged in trying to match expenditure increases with conservatively estimated revenue growth. The City's financial policy states that ongoing expenditures will be funded with ongoing revenues. The City continues to control cost growth, which has and will continue to expand at a faster rate than the City's revenue growth. This continues to be an important focus in all areas of the City since the ultimate result is either eliminating programs or employees within the City to reduce expenditures, or to increase property taxes for City property owners. The recent commercial growth in the City has emphasized the need to make economic development an important spotlight to continue to increase the property tax base, as well as to increase the amount of sales tax revenue resulting from these retail sales facilities.

MAJOR INITIATIVES

Sioux City continues to invest heavily in capital improvements and infrastructure rehabilitation. With average capital spending programmed at \$47 million we expect to make considerable progress in meeting our infrastructure needs.

In FY 2004 the City spent \$92.22 million on capital improvement projects. Our largest project was the \$48 million investment in our \$53 million Event Center. The second largest project was the \$8.9 million investment in our Ground Transportation Center. The third largest project was the \$4.3 million invested on the reconstruction of Floyd Blvd.

Major construction projects done in conjunction with developers include the following:

- *Downtown Theaters- A stadium style, fourteen screen, 2700 seat Cineplex wrapped with 15,000 square footage of retail space scheduled to open November 5, 2004. This will be part of a multi-phased entertainment district that will eventually include an historic hotel and additional retail/parking mix.

- *Softball Fields- Relocation of softball fields from along Floyd River in Leeds area to Chautauqua Park along Interstate-29 just north of Bridgeport Industrial Park. This allows the extension of Outer Drive at Floyd Boulevard to Lewis Boulevard.

The City continues to work with the Sioux City Community School District to replace or renovate a number of old and dilapidated schools. School District success in passing a one percent local option sales tax for school construction will provide over \$90 million in ten years for replacement of schools. The use of sales tax funds is especially welcome since large, property tax supported, debt issuance will not be necessary to replace schools. Large school debt issuance would increase overlapping debt and could have a negative impact on our bond rating.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

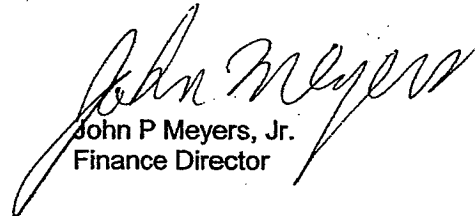
A Certificate of Achievement is valid for a period of one year only. The City of Sioux City, Iowa has received a Certificate of Achievement every year since fiscal year 1984 except for fiscal year 1996 and 1998. We believe that our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate. The fiscal year 1996 report's production was delayed past the submittal deadline because of the City's financial application software change at the beginning of the fiscal year. The fiscal year 1998 report's production was delayed past the submittal deadline because of changes in personnel and software.

Acknowledgment - The preparation and completion of the 2004 Comprehensive Annual Financial Report was made possible by the dedicated service of Finance Department employees. Each member of the Department has our sincere appreciation for the contributions they made toward this report. Sioux City is very fortunate to have such excellent, versatile and dedicated people.

In closing, without the leadership and support of the City Council, the preparation of this report would not have been possible.

Respectfully Submitted,


Paul Eckert,
City Manager


John P. Meyers, Jr.
Finance Director

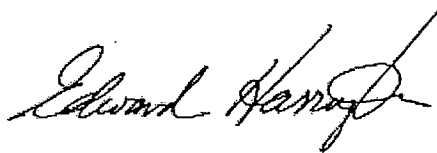
Certificate of Achievement for Excellence in Financial Reporting

Presented to

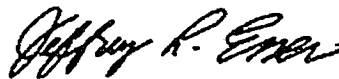
City of Sioux City,
Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President



Executive Director

10-1-1950

Dear Sir,

Reference is made to your letter of 10-1-1950.

The same has been forwarded to the relevant authorities.

Yours faithfully,

S. M. K. M. S.

Manager

10-1-1950

10-1-1950

10-1-1950

10-1-1950

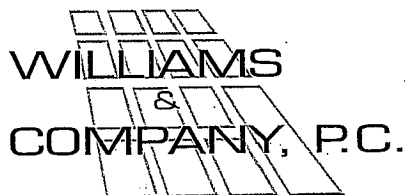
The following information is being furnished for your information:
1. The total number of units produced during the period 1-1-1950 to 31-12-1950 is 10,000 units.
2. The total number of units sold during the period 1-1-1950 to 31-12-1950 is 8,000 units.
3. The total number of units held in stock at the end of the year is 2,000 units.
4. The total number of units held in stock at the beginning of the year is 2,000 units.
5. The total number of units held in stock at the end of the year is 2,000 units.

Yours faithfully,
S. M. K. M. S.

10-1-1950

10-1-1950

**CITY OF SIOUX CITY, IOWA
FINANCIAL SECTION**



Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Mayor,
Members of the City Council
City of Sioux City, Iowa

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the CITY OF SIOUX CITY, IOWA (the City) as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express opinions on the financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux City, Iowa as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 8, 2004 on our consideration of the City of Sioux City, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Introductory Section, Other Financial Information and Statistical Information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Sioux City, Iowa. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

The accompanying combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the accompanying Schedule of Expenditures of Passenger Facility Charges is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and they are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Williams & Hammer, P.C.
Certified Public Accountants

Sioux City, Iowa
October 8, 2004



Management Discussion and Analysis

June 30, 2004

This discussion and analysis of the City of Sioux City's financial performance provides an overview of the City's financial activities for the fiscal year ending June 30, 2004. We encourage the readers to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal on page 1 and the City's financial statements which follow this report.

Financial Highlights

- The assets of the City of Sioux City exceeded liabilities at June 30, 2004 by \$281,650,588. Of this amount \$43,661,793 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The city's net assets increased by \$26,602,746 during the year. Of this amount the assets of our Governmental Activities increased \$26,685,935 and the assets of our Business Activities decreased \$83,189.
- The largest factor in the increase in fund balance was the amount by which capital outlays exceeded depreciation in the current period. In FY 2004 that excess was \$32,579,254.
- The City's long term debt increased \$13,339,545 (11%) primarily due to the issuance of two series of general obligation bonds and \$15,526,138 of debt from the State of Iowa Drinking Water Revolving Loan Program. The first series of general obligation bonds totaled \$6,315,000 and the second series was for \$6,085,000. The bond proceeds were used to fund the fiscal year 2004 Capital Improvement Program. Outstanding General Obligation debt totals \$97,779,709 and outstanding revenue debt totals \$3,240,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to the Management Discussion and Analysis, this annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

One of the most important questions asked about the City's finances is, "Is the City of Sioux City in a better financial position at the end of this fiscal year, compared to last year?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is very similar to the method of accounting used by most private-sector companies. These two statements report the City's net assets, which is the difference between assets and liabilities, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Additional factors, such as changes in the City's property tax base and sales tax collections and condition of the City's infrastructure are also important in making this determination.

In the Statement of Net Assets and the Statement of Activities, we have divided the City into two kinds of activities:

- **Governmental Activities** - Most of the City's basic services are reported here, such as Police, Fire, Public Works and Parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- **Business Type Activities** - The City charges fees to customers to cover the cost of these services. Included here are the City Water, Sewer, Solid Waste, Airport and Parking funds.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law or by bond requirements. The City Council also established funds to control and manage money for particular purposes (such as construction projects) and to show that it is properly using certain revenues (such as Sales Tax Revenues). The City has the following types of funds:

- **Governmental Funds** - Most of the City's basic services are included in governmental funds, which focus on how money moves into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using the "modified accrual basis" of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future.

to finance City programs. We describe the relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following each Governmental Fund financial statement.

- **Proprietary funds** - When the City charges customers for the service it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The major difference between the proprietary funds report and the business type activities we report in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary funds report.

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. The City is the trustee, or fiduciary, for the Woodbury County Information and can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found behind the Fiduciary funds statements.

THE CITY AS A WHOLE

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest part of the City's net assets reflects its investment in capital assets (land, buildings and improvements, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following comparison chart show the changes in net assets for the years ended June 30, 2004 and 2003:

	General Governmental Activities	
	2004	2003
Current and Other Assets	\$108,154,953	\$111,092,938
Capital Assets	<u>257,209,258</u>	<u>223,586,072</u>
Total Assets	365,364,211	334,679,010
Long-Term Liabilities Outstanding	121,770,958	122,404,075
Other Liabilities	<u>32,110,726</u>	<u>27,858,343</u>
Total Liabilities	153,881,684	150,262,418
Net Assets:		
Invested in Capital Assets, Net of Related Debt	165,606,928	132,205,841
Restricted	16,315,967	39,342,658
Unrestricted	<u>29,559,632</u>	<u>12,868,093</u>
Total Net Assets	<u>\$211,482,527</u>	<u>\$184,416,592</u>

This summary reflects an increase of 14.7% for the governmental activities and an increase of .9% in the business-type activities.

Business-Type Activities		Totals	
2004	2003	2004	2003
\$20,922,953	\$17,255,114	\$129,077,906	\$128,348,052
93,861,341	85,108,843	351,070,599	308,694,915
114,784,294	102,363,957	480,148,505	437,042,967
35,979,086	24,072,636	157,750,044	146,476,711
8,637,147	8,753,527	40,747,873	36,611,870
44,616,233	32,826,163	198,497,917	183,088,581
56,065,900	60,353,358	221,672,828	192,559,199
---	---	16,315,967	39,342,658
14,102,161	9,184,436	43,661,793	22,052,529
\$70,168,061	\$69,537,794	\$281,650,588	\$253,954,386

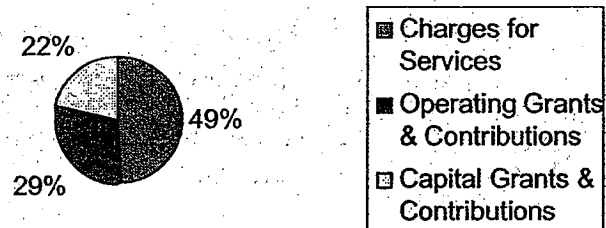
Total revenue reported in Fiscal 2004 was \$137,469,494. The following table breaks down revenues collected for General Governmental Activities and Business-Type Activities for Fiscal Years 2004 and 2003:

Revenue Source	General Governmental Activities	
	2004	2003
Program Revenues:		
Charges for Services	\$9,753,520	\$8,691,390
Operating Grants and Contributions	20,833,159	21,167,457
Capital Grants and Contributions	15,935,106	15,670,270
Special Assessments	---	338,882
Total Program Revenues	46,521,785	45,867,999
General Revenues & Transfers:		
Property Taxes	39,229,665	38,509,110
Other Taxes	13,686,734	13,296,768
Interest	768,608	1,093,276
Revenue from Use of Property	3,564,962	2,964,164
Miscellaneous	2,895,044	2,107,173
Transfers	157,595	(201,048)
Total General Revenues & Transfers	60,302,608	57,769,443
Total Revenues & Transfers	\$106,824,393	\$103,637,442

Business-Type Activities		Totals	
2004	2003	2004	2003
\$25,881,674	\$25,561,623	\$35,635,194	\$34,253,013
503,502	1,490,965	21,336,661	22,658,422
---	---	15,935,106	15,670,270
---	---	---	338,882
26,385,176	27,052,588	72,906,961	72,920,587
---	---	39,229,665	38,509,110
---	---	13,686,734	13,296,768
295,742	264,882	1,064,350	1,358,158
75,465	116,085	3,640,427	3,080,249
4,046,313	2,292	6,941,357	2,109,465
(157,595)	201,048	---	---
4,259,925	584,307	64,562,533	58,353,750
\$30,645,101	\$27,636,895	\$137,469,494	\$131,274,337

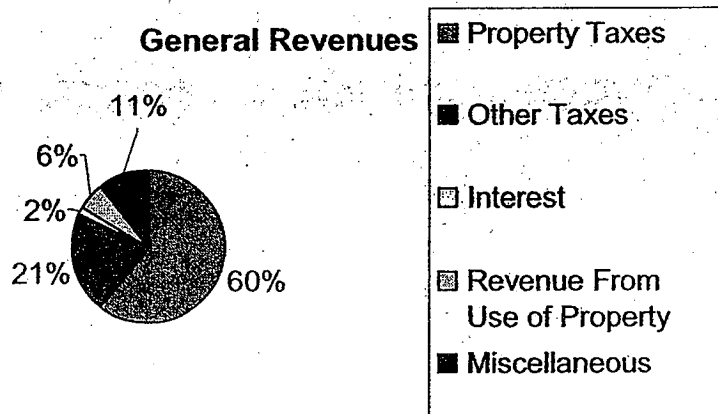
Program revenues totaled \$72,906,961 for FY 2004. Governmental Activities provided \$46,521,785 and Business-Type Activities provided \$26,385,176. Revenue collected for Charges for Services during FY 2004 was \$35,635,194 accounting for approximately 49% of the total program revenues. The following chart breaks down program revenues by source:

Program Revenues



General Revenues for FY 2004 totaled \$64,562,533. Governmental Activities provided \$60,302,608 and Business-Type Activities provided \$4,259,925. Property Tax revenues for FY 2004 totaled \$39,229,665, accounting for 60% of General Revenues. The following chart breaks down General Revenues by source:

General Revenues



Expenses for Fiscal 2004 totaled \$110,866,748. Expenses for General Governmental Activities totaled \$80,138,458 accounting for 72% of total expenses. Business-Type Activity expenses totaled \$30,728,290 for 28% of the total. The following table shows total expenses by Function/Program for FY 2004:

Expenses	General Governmental		Business-Type	
	2004	2003	2004	2003
Public Safety	\$24,901,874	\$24,129,343	\$---	\$---
Public Works	11,000,039	10,960,350	---	---
Culture and Recreation	12,183,759	11,183,008	---	---
Comm and Economic Devel	10,680,718	11,017,771	---	---
General Government	650,274	1,472,461	---	---
Capital Projects	8,668,744	4,216,065	---	---
Interest Expense	5,334,401	5,523,373	---	---
Unallocated Depreciation	6,718,649	6,305,406	---	---
Business-Type Activities	---	---	30,728,290	27,936,380
Total Expenses	\$80,138,458	\$74,807,777	\$30,728,290	\$27,936,380

Expenses	Totals	
	2004	2003
Public Safety	\$24,901,874	\$24,129,343
Public Works	11,000,039	10,960,350
Culture and Recreation	12,183,759	11,183,008
Comm and Economic Devel	10,680,718	11,017,771
General Government	650,274	1,472,461
Capital Projects	8,668,744	4,216,065
Interest Expense	5,334,401	5,523,373
Unallocated Depreciation	6,718,649	6,305,406
Business-Type Activities	30,728,290	27,936,380
Total Expenses	\$110,866,748	\$102,744,157

The following table shows the activities included within each program level:

Program Level	Activity
Public Safety	Individual & Community Protection, Physical Health
Public Works	Public Service, Utilities, Transportation
Culture and Recreation	Education & Culture
Community and Economic Development	Environmental Preservation, Housing & Community Devel.
General Government	Policy & Administration
Debt Service	Debt
Capital Projects	Capital Improvement Projects

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Please note that the expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue calculation. This format highlights the respective financial burden that each of the functions place on the taxpayers. For example, for Public Safety, the City spent \$24,901,874 and received \$3,682,052 in revenue thus leaving a cost to the taxpayer of \$21,219,822 to be funded by various methods. This format also identifies how much each function draws from general revenues or is self-financing through fees or grants. Some of the individual line item revenues reported for each function are:

Public Safety	Fines, COPS Grants, Block Grants
Community and Economic Development	HUD Grants, Building Permits, Licenses
General Government	Internal Service - Charges for Services

The total cost of governmental activities this year was \$80,138,458. Of these costs, \$9,753,520 was paid by those who directly benefited from the programs. Costs paid by other governments and organizations that subsidized certain programs with grants and contributions were \$36,768,265, leaving a Net Expense of \$33,616,673 for governmental activities. These expenses of \$33,616,673 were covered with tax revenues, interest and other general revenues. The Statement of Activities in the financial section provides further detail. The Net (Expense) Revenue by governmental activity is shown in the following table:

<u>Functions/Programs</u>	<u>Net (Expense) Revenue</u>	
	<u>FY04</u>	<u>FY03</u>
<u>Governmental Activities</u>		
Public Safety	\$(21,219,822)	\$(19,411,197)
Public Works	293,728	(930,517)
Culture & Recreation	(10,826,337)	(10,045,921)
Community & Economic Development	(1,059,723)	(794,268)
General Government	3,982,169	2,277,817
Capital Projects	7,124,118	11,454,205
Interest Expense	(5,192,157)	(5,184,491)
Unallocated Depreciation Expense	(6,718,649)	(6,305,406)
Total Net (Expense) Revenue		
Government Activities	(33,616,673)	(28,939,778)
General Revenues & Transfers	60,302,608	57,769,443
Change in Net Assets	\$26,685,935	\$28,829,665

Total resources available during the year to finance governmental operations were \$291,240,985, consisting of Net Assets at July 1, 2003 of \$184,416,592, a prior period adjustment of \$380,000, program revenues of \$46,521,785 and General Revenues of \$60,302,608. Total Governmental Activities during the year expended \$80,138,458; thus, Net Assets were increased by \$27,065,935 to \$211,482,527.

Business Type Activities

Business type activities decreased the City's net assets by \$83,189.

The cost of all Proprietary activities this year was \$30,728,290. As shown in the Statement of Activities, the amounts paid by users of the systems was \$25,881,674, and \$503,502 was funded from grants and contributions, resulting in total Net Revenue for business type activities of \$(4,343,114). The Net (Expense) Revenue by Business Type Activity is shown in the following table:

<u>Business Type Activities</u>	<u>Net (Expense) Revenue</u>	
	<u>FY04</u>	<u>FY03</u>
Airport System	\$(1,590,379)	\$(237,446)
Water System	(3,869,170)	(2,778,590)
Sewer System	578,843	1,789,319
Solid Waste System	633,704	386,673
Non-Major Enterprise Funds	(96,112)	(43,748)
Total Net (Expense) Revenue		
Business Type Activities	(4,343,114)	(883,792)
 General Revenues & Transfers	 4,259,925	 584,307
 Change in Net Assets	 \$(83,189)	 \$(299,485)

Total resources available during the year to finance Proprietary Fund activities were \$100,182,895 consisting of Net Assets at July 1, 2003 of \$69,537,794, program revenues of \$26,385,176 and General Revenues of \$4,259,925. Total Proprietary Fund Activities during the year expended \$30,728,290; thus Net Assets were decreased by \$83,189 to \$69,454,605. A prior period adjustment that was made in the sewer fund for \$713,456 increased the Net Assets to \$70,168,061.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. The City's governmental funds reported combined ending fund balances of \$45,438,005 (11% unreserved). The combined Governmental Funds balance decreased \$8,762,723 from the prior year. The largest single portion of this decrease is a decrease of \$10,682,455 in resources provided to our capital improvements fund awaiting the contract award process.

The General Fund is the primary operating fund of the City. During the year, revenues exceeded expenditures in the general fund by \$47,063. The fund balance of \$5,017,641 is 13.7% of expenditures which is at the lower end of our goal of a fund balance between 15% and 17% of expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the FY 2004 original (adopted) General Fund amount of \$44,895,845 to the final budget amount of \$52,074,556 shows a net increase of \$7,178,711.

Original Budget	Encumbrances	Beginning Balance	Supplemental Changes	Final Budget
44,895,845	235,828	45,131,673	6,942,883	52,074,556

Supplemental changes include additional appropriation for storm damage, various grants received during the fiscal year, accrual activity and year-end budget adjustments.

The following table shows the General Fund budget variances by program structure:

	Amended Budget	Actual	Variance
<u>EXPENDITURES</u>			
Public Safety	\$26,479,978	\$24,134,093	\$2,345,885
Public Works	1,546,517	975,957	570,560
Culture and Recreation	8,013,782	6,207,810	1,805,972
Community & Economic Development	3,020,145	2,034,111	986,034
General Government	8,130,339	3,060,670	5,069,669
	47,190,761	36,412,641	10,778,120
Transfers Out	4,883,795	4,380,859	502,936
Total Expenditures	<u>\$52,074,556</u>	<u>\$40,793,500</u>	<u>\$11,281,056</u>

The City complied with statutory requirements and did not exceed the budget by program structure.

CAPITAL ASSETS

The City's investment in capital assets, including land, building and improvements, equipment, streets, sewer systems, lighting systems, traffic signals and other infrastructure represents the value of the resources utilized to provide services to our citizens. The investment in capital assets as of June 30, 2004 was \$221,672,828 (net of accumulated depreciation and outstanding financings). This is an increase of \$29,113,629 (15%) over FY2003. The gross additions to capital assets for Fiscal 2004 are as follows:

	General Governmental Activities		Business-Type Activities	
	2004	2003	2004	2003
Land	\$655,299	\$463,428	\$588,022	\$ ---
Infrastructure	2,632,573	2,117,560	---	---
Buildings	51,467	1,879,073	---	6
Improvements-Other than Buildings	6,400	5,051,840	2,536,004	5,966,150
Equipment	4,420,910	3,104,995	138,578	617,319
Construction in Progress	33,816,823	40,869,624	10,975,960	13,211,145
Total Gross Additions	\$41,583,472	\$53,486,520	\$14,238,564	\$19,794,620

	Totals	
	2004	2003
Land	\$1,243,321	\$463,428
Infrastructure	2,632,573	2,117,560
Buildings	51,467	1,879,079
Improvements-Other than Buildings	2,542,404	11,017,990
Equipment	4,559,488	3,722,314
Construction in Progress	44,792,783	54,080,769
Total Gross Additions	\$55,822,036	\$73,281,140

Construction in Progress was the major capital outlay for Governmental Activities in Fiscal 2004. These outlays included work on the following projects: The Event Center, 6th Street Bridge, Outer Belt Drive Floyd to Lewis, and Military Road Reconstruction. The majority of expenditures for construction in progress are incurred by the Capital Improvement Fund. Land was acquired for the Stockyards Redevelopment, the Outer Belt Drive Floyd to Lewis and the Perry Creek Flood Control Projects. The majority of the equipment acquired was licensed vehicles and contractor's mobile by the City's Central Maintenance Garage fund which is an Internal Service Fund.

For Business-Type Activities, the \$2,536,004 addition to Improvements Other than Buildings resulted mainly from construction projects completed during the year and capitalized as a completed asset. Some of these completed projects include: Military Road Sewer and the Military Road Water Main Projects. Construction in Progress costs included the Water Plant modifications, Steuben Highway 75 Water Main, Airport Runway 13 and the construction of the new Floyd Lift Station.

See Note 6 to the financial statements for more information on the City's capital assets.

DEBT ADMINISTRATION

At year end the City had \$132,178,293 of debt outstanding. This is an increase of \$13,339,545 (11.2%) from the prior year. Of this amount \$94,382,852 is to be paid from tax sources (primarily Local Option Sales Tax and Tax Increment Funds). The remainder is to be repaid from our Municipal Enterprises.

Debt administration is quite conservative with over 90% of all City debt is to be repaid within the next 10 years. This rapid repayment when combined with the use of TIF and Local Option Sales Tax Revenue has allowed the City to maintain our Aa rating. This rating is the second highest possible rating and reflects well on our community.

The City continues to operate well under State debt capacity limitations. The State limits the amount of General Obligation Debt outstanding to 5% of the assessed value of all taxable property in the community. Thus our debt capacity is \$155,522,744. With outstanding General Obligation Debt applicable to this limit of \$92,855,494 we are utilizing 60% of this limit. More detailed information on debt administration is provided in Note 8 of the financial statements.

ECONOMIC FACTORS

Sioux City continues to benefit from a large amount of development. Building permits in FY 2004 totaled \$112,172,440. This amount is \$26,418,844 below the FY 2003 record amount of \$138,591,284. These amounts are far above any amount permitted in at least the last 10 years. Major construction recently completed or still underway totals over \$280 million. Construction of the Rivers Edge Event Center is expected to cost over \$70 million. The Sunny Brook Shopping Center, Lakeport Commons and two Walmarts represent over \$70 million in construction. Hospital construction provides over \$55 million in construction. Smaller shopping areas, hotel renovation and the downtown Cinema represent another \$45 million in construction. We believe that by Jan 1, 2006 the commercial construction should have added at least \$100 million to the taxable valuation of our City. In addition to increased property tax base, these developments solidify Sioux City's position as the regional shopping destination and should have a significant impact on sales tax collections for Sioux City, Woodbury County and the Sioux City Community School District.

Additional large scale construction is expected. Public Construction is at a historic high with construction underway or announced of over \$130 million. In addition to the \$70 million Rivers Edge Event Center, Water and Sewer Plant improvements and the replacement of the Floyd Lift Station add \$58 million in construction. The new infrastructure replacement project will add \$7 million in construction annually.

While these are difficult economic times, the opportunity to provide the infrastructure necessary for needed development and to replace worn out assets is historic. The 3.24% cost of financing the Vision Iowa construction is lower than Sioux City has seen in at least 30 years. The 3.09% and 2.96% interest rates received on our \$12.4 million new money financing in Nov. of 2003 were very welcome.

Interest rates remain at historically low levels. Construction of Water and Sewer Improvements will be financed through the State Revolving Loan Program. The State Revolving Loan Program provides 3% loans over 20 years to finance our Water and Sewer improvements. While our investments should be prudent and the debt still needs to be repaid, this opportunity to do needed work at historically low interest rates is unlikely to be repeated often and should be appreciated and seized.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact the City Finance Department at 712-279-6207.

CITY OF SIOUX CITY, IOWA
BASIC FINANCIAL STATEMENTS

EXHIBIT 1

CITY OF SIOUX CITY, IOWA
STATEMENT OF NET ASSETS
JUNE 30, 2004

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 44,058,809	\$ 15,627,274	\$ 59,686,083
Accounts Receivable	1,083,424	3,822,258	4,905,682
Accrued Interest Receivable	194,392	25,091	219,483
Notes Receivable	5,094,483	1,000	5,095,483
Special Assessments	1,152,335	---	1,152,335
Due from Other Governments	56,015,060	724,667	56,739,727
Internal Balances	(337,925)	337,925	---
Inventories, at Cost	436,659	---	436,659
Prepaid Items	343,694	---	343,694
Internal Balances - Note Receivable	114,022	(114,022)	---
Capital Assets (net of accumulated depreciation):			
Land	35,770,654	2,640,471	38,411,125
Infrastructure	78,468,920	---	78,468,920
Buildings	20,888,159	4,976,935	25,865,094
Buildings under Capital Lease	7,675,000	---	7,675,000
Improvements other than buildings	10,348,794	53,221,346	63,570,140
Equipment	11,832,451	1,207,327	13,039,778
Construction in Progress	92,225,280	31,815,262	124,040,542
RESTRICTED ASSETS			
Cash and Cash Equivalents	---	496,000	496,000
Accrued Interest Receivable	---	2,760	2,760
Total Assets	365,364,211	114,784,294	480,148,505
LIABILITIES			
Accounts Payable	3,687,753	2,049,843	5,737,596
Accrued Wages and Compensated Absence	4,454,539	691,721	5,146,260
Accrued Interest Payable	290,145	115,663	405,808
Contracts and Retainers Payable	5,900,734	2,040,884	7,941,618
Due to Other Governments	133,519	174,195	307,714
Estimated Liability for Damage Claims	3,719,166	---	3,719,166
Current Portion of G. O. Bonds	13,103,047	1,511,953	14,615,000
Notes Payable - Current	215,083	1,382,000	1,597,083
Capital Lease Payable - Current	605,000	---	605,000
Matured Bonds and Coupons Payable	1,740	13,719	15,459
Payables from Restricted Assets:			
Accrued Revenue Bond Interest	---	12,169	12,169
Revenue Bonds - Current	---	645,000	645,000
Deferred Revenue	43,308,421	---	43,308,421
Estimated Liability for Landfill Closure	---	2,031,976	2,031,976
Compensated Absences & Benefits, Long-Term	1,084,569	---	1,084,569
General Obligation Bonds	75,939,574	6,580,426	82,520,000
Unamortized Charges	(301,232)	(309,378)	(610,610)
Revenue Bonds Payable	---	2,595,000	2,595,000
Long-Term Notes Payable	429,626	25,081,062	25,510,688
Capital Lease Payable	1,310,000	---	1,310,000
Total Liabilities	153,881,684	44,616,233	198,497,917
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	165,606,928	56,065,900	221,672,828
Restricted for:			
Capital Improvements	10,666,980	---	10,666,980
Debt Service	4,924,215	---	4,924,215
Endowments	724,772	---	724,772
Total Restricted	16,315,967	---	16,315,967
Unrestricted	29,559,632	14,102,161	43,661,793
Total Net Assets	\$ 211,482,527	\$ 70,168,061	\$ 281,650,588

The notes to the financial statements are an integral part of this statement.

**CITY OF SIOUX CITY, IOWA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<u>Governmental Activities:</u>				
Public Safety	\$ 24,901,874	\$ 306,263	\$ 3,375,789	\$ ---
Public Works	11,000,039	3,006,966	8,286,801	---
Culture and Recreation	12,183,759	1,123,362	234,060	---
Community and Economic Development	10,680,718	738,406	8,882,589	---
General Government	650,274	4,578,523	53,920	---
Capital Projects	8,668,744	---	---	15,792,862
Interest Expense	5,334,401	---	---	142,244
Unallocated Depreciation Expense	6,718,649	---	---	---
Total Governmental Activities	80,138,458	9,753,520	20,833,159	15,935,106
<u>Business Type Activities:</u>				
Airport	3,547,215	1,548,766	408,070	---
Water	11,693,816	7,742,305	82,341	---
Sewer	10,229,066	10,807,909	---	---
Solid Waste	3,642,375	4,262,988	13,091	---
Non-Major Enterprise Funds	1,615,818	1,519,706	---	---
Total Business Type Activities	30,728,290	25,881,674	503,502	---
Total Functions/Programs	<u>\$ 110,866,748</u>	<u>\$ 35,635,194</u>	<u>\$ 21,336,661</u>	<u>\$ 15,935,106</u>

General Revenues:

Property Taxes
Other Taxes
Interest
Revenue from Use of Property
Miscellaneous

Transfers

Total General Revenues and Transfers
Changes in Net Assets

Net Assets - Beginning of Year

Prior Period Adjustments

Net Assets - End of Year

The notes to the financial statements are an integral part of this statement.

EXHIBIT 2

Net (Expenses) Revenues and Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$ (21,219,822)	\$ ---	\$ (21,219,822)
293,728	---	293,728
(10,826,337)	---	(10,826,337)
(1,059,723)	---	(1,059,723)
3,982,169	---	3,982,169
7,124,118	---	7,124,118
(5,192,157)	---	(5,192,157)
(6,718,649)	---	(6,718,649)
(33,616,673)	---	(33,616,673)
---	(1,590,379)	(1,590,379)
---	(3,869,170)	(3,869,170)
---	578,843	578,843
---	633,704	633,704
---	(96,112)	(96,112)
---	(4,343,114)	(4,343,114)
<u>\$ (33,616,673)</u>	<u>\$ (4,343,114)</u>	<u>\$ (37,959,787)</u>
39,229,665	---	39,229,665
13,686,734	---	13,686,734
768,608	295,742	1,064,350
3,564,962	75,465	3,640,427
2,895,044	4,046,313	6,941,357
157,595	(157,595)	---
60,302,608	4,259,925	64,562,533
26,685,935	(83,189)	26,602,746
184,416,592	69,537,794	253,954,386
380,000	713,456	1,093,456
<u>\$ 211,482,527</u>	<u>\$ 70,168,061</u>	<u>\$ 281,650,588</u>

**CITY OF SIOUX CITY, IOWA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004**

	General	Other Employee Benefits	Debt Service	Capital Improvements
ASSETS				
Cash and Cash Equivalents	\$ 4,286,691	\$ ---	\$ 4,512,027	\$ 22,077,870
Accounts Receivable	653,352	---	135,320	3,938
Accrued Interest Receivable	98,287	---	5,213	5,934
Notes Receivable	---	---	561,538	305,956
Special Assessments	---	---	1,152,335	---
Due from Other Governments	20,717,820	11,231,267	12,414,361	7,604,375
Due from Other Funds	1,249,533	---	27,998	---
Inventories	---	---	---	---
Prepaid Items	---	---	---	---
Notes Receivable from Other Funds	---	---	114,022	---
Total Assets	<u>27,005,683</u>	<u>11,231,267</u>	<u>18,922,814</u>	<u>29,998,073</u>
LIABILITIES				
Accounts Payable	398,392	32,624	10,055	398,918
Accrued Wages and Compensated Absences	2,022,433	---	---	18,510
Contracts and Retainers Payable	37,758	---	---	5,672,218
Due to Other Governments	3,013	---	---	---
Due to Other Funds	843	284,359	---	453,483
Matured Bonds and Coupons Payable	---	---	1,740	---
Deferred Revenue	<u>19,525,603</u>	<u>11,075,186</u>	<u>13,310,152</u>	<u>---</u>
Total Liabilities	<u>21,988,042</u>	<u>11,392,169</u>	<u>13,321,947</u>	<u>6,543,129</u>
FUND BALANCES				
Reserved for Capital Improvements	---	---	---	10,666,980
Reserved for Debt Service	---	---	4,924,215	---
Reserved for Encumbrances	330,372	---	1,092	12,787,964
Reserved for Endowment	---	---	---	---
Reserved for Inventories	---	---	---	---
Reserved for Long-Term Notes Receivable	---	---	675,560	---
Reserved for Prepaid Items	---	---	---	---
Unreserved	4,687,269	(160,902)	---	---
NonMajor Funds:				
Emergency Fund	---	---	---	---
Storm Water Drainage	---	---	---	---
Road Use	---	---	---	---
Housing	---	---	---	---
Main Street	---	---	---	---
Younkers Self-Improvement District	---	---	---	---
Local Option Sales Tax	---	---	---	---
Convention Center/Auditorium	---	---	---	---
Total Fund Balances (Deficit)	<u>5,017,641</u>	<u>(160,902)</u>	<u>5,600,867</u>	<u>23,454,944</u>
Total Liabilities and Fund Balances	<u>\$ 27,005,683</u>	<u>\$ 11,231,267</u>	<u>\$ 18,922,814</u>	<u>\$ 29,998,073</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT 3

Other Governmental Funds	Total Governmental Funds
\$ 6,887,180	\$ 37,763,768
249,487	1,042,097
79,729	189,163
4,226,989	5,094,483
---	1,152,335
4,047,237	56,015,060
---	1,277,531
277,022	277,022
343,694	343,694
---	114,022
<u>16,111,338</u>	<u>103,269,175</u>
2,326,400	3,166,389
501,960	2,542,903
190,758	5,900,734
130,506	133,519
810,057	1,548,742
---	1,740
<u>626,202</u>	<u>44,537,143</u>
4,585,883	57,831,170
---	10,666,980
---	4,924,215
1,298,828	14,418,256
724,772	724,772
106,352	106,352
4,169,363	4,844,923
343,694	343,694
---	4,526,367
579,282	579,282
640,617	640,617
1,579,525	1,579,525
862,868	862,868
74,505	74,505
(1,587)	(1,587)
2,595,179	2,595,179
<u>(1,447,943)</u>	<u>(1,447,943)</u>
<u>11,525,455</u>	<u>45,438,005</u>
<u>\$ 16,111,338</u>	<u>\$ 103,269,175</u>

CITY OF SIOUX CITY, IOWA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total Fund Balances (Deficit) - Governmental Funds	\$ 45,438,005
Infrastructure, property and equipment used in governmental activities are not financial resources and therefore, are not reported in the funds.	247,208,128
Internal Service funds are used by management to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair and replacement of the City's fleet and are included in the Statement of Net Assets.	11,979,437
Deferred Revenues that provide current financial resources for governmental activities.	1,228,722
Accrued interest expense from the balance sheet that require current financial resources for governmental activities.	(290,145)
Bond issue costs are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.	301,232
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(94,382,852)
Total Net Assets - Governmental Funds	\$ <u>211,482,527</u>

The notes to the financial statements are an integral part of this statement.



Sioux City®

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	General	Other Employee Benefits	Debt Service
<u>REVENUES</u>			
Taxes	\$ 21,821,498	\$ 9,033,650	\$ 12,629,934
Special Assessments	53,370	---	142,244
Regulatory Fees	1,237,582	---	---
Intergovernmental Revenue	3,522,211	---	---
Revenue from Use of Property	219,121	---	---
Charges for Services	4,051,625	---	---
Interest	519,142	---	127,265
Contributions	216,893	---	---
Miscellaneous	309,193	5,000	951,050
Total Revenue	31,950,635	9,038,650	13,850,493
<u>EXPENDITURES</u>			
Current:			
Public Safety	24,134,093	787,242	---
Public Works	975,957	155	---
Culture and Recreation	6,207,810	54,620	---
Community and Economic Development	2,034,111	3,209	---
General Government	3,060,670	10,212	---
Debt Service	---	---	19,544,146
Capital Projects	---	---	---
Total Expenditures	36,412,641	855,438	19,544,146
Excess (Deficiency) of Revenues Over Expenditures	(4,462,006)	8,183,212	(5,693,653)
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from Issuance of Bonds and Notes	---	---	2,703,893
Transfers In	8,889,928	---	7,998,263
Transfers Out	(4,380,859)	(8,269,065)	(4,179,459)
Total Other Financing Sources (Uses)	4,509,069	(8,269,065)	6,522,697
Net Change in Fund Balance	47,063	(85,853)	829,044
Fund Balance (Deficit) - Beg. of Year Before Prior Per. Adj.	4,970,578	(75,049)	4,771,823
Prior Period Adjustment	---	---	---
Fund Balance (Deficit) - Beg. of Year After Prior Per. Adj.	4,970,578	(75,049)	4,771,823
Fund Balance (Deficit) - End of Year	\$ 5,017,641	\$ (160,902)	\$ 5,600,867

The notes to the financial statements are an integral part of this statement.

EXHIBIT 4

<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ ---	\$ 9,513,839	\$ 52,998,921
---	30,790	226,404
---	---	1,237,582
15,742,754	17,094,055	36,359,020
258,827	3,004,156	3,482,104
---	2,460,352	6,511,977
7,939	109,033	763,379
50,108	---	267,001
649,986	718,212	2,633,441
<u>16,709,614</u>	<u>32,930,437</u>	<u>104,479,829</u>
---	---	24,921,335
---	9,942,657	10,918,769
---	5,947,761	12,210,191
---	8,617,263	10,654,583
---	471	3,071,353
---	---	19,544,146
<u>45,529,590</u>	<u>---</u>	<u>45,529,590</u>
<u>45,529,590</u>	<u>24,508,152</u>	<u>126,849,967</u>
(28,819,976)	8,422,285	(22,370,138)
11,712,082	---	14,415,975
8,775,436	2,252,288	27,915,915
<u>(1,996,371)</u>	<u>(9,898,721)</u>	<u>(28,724,475)</u>
<u>18,491,147</u>	<u>(7,646,433)</u>	<u>13,607,415</u>
(10,328,829)	775,852	(8,762,723)
33,783,773	10,369,603	53,820,728
---	380,000	380,000
<u>33,783,773</u>	<u>10,749,603</u>	<u>54,200,728</u>
<u>\$ 23,454,944</u>	<u>\$ 11,525,455</u>	<u>\$ 45,438,005</u>

CITY OF SIOUX CITY, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental funds	\$	(8,762,723)
--	----	-------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

32,579,254

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

(684,910)

Accrued interest expense that does not require current financial resources.

226

Long-term accrual of compensated absences is not reported in the governmental funds as it does not consume current financial resources. The net change in the long-term compensated absences for the year was:

(77,490)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Additionally, the effect of issuance costs, premiums, discounts and similar items when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities. The net change in long-term debt for the year was:

(206,456)

Internal Service funds are used by the City to fund and maintain the City's insurance policies provided to user departments and for the maintenance, repair and replacement of the City's equipment and are included in the Statement of Net Assets. The net revenue of the Internal Service funds is reported with governmental activities.

3,838,034

Changes in Net Assets of Governmental Activities

\$ 26,685,935

The notes to the financial statements are an integral part of this statement.



Sioux City.

CITY OF SIOUX CITY, IOWA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004

	<u>Business Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 774,020	\$ 4,019,662
Accounts Receivable	200,460	1,268,135
Accrued Interest Receivable	2,430	4,477
Notes Receivable	1,000	---
Due from Other Governments	316,742	310,014
Due from Other Funds	---	---
Inventories, at Cost	---	---
Total Current Assets	<u>1,294,652</u>	<u>5,602,288</u>
<u>Non-Current Assets</u>		
Cash and Cash Equivalents - Restricted	---	496,000
Accrued Interest Receivable - Restricted	---	2,760
Capital Assets, Net of Accumulated Depreciation	<u>22,528,644</u>	<u>31,428,583</u>
Total Assets	<u>23,823,296</u>	<u>37,529,631</u>
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	48,700	549,614
Accrued Wages and Compensated Absences	90,195	318,998
Accrued Interest Payable	7,651	67,065
Contracts and Retainers Payable	329,708	1,016,573
Due to Other Governments	---	82,913
Due to Other Funds	27,998	---
Estimated Liability for Damage Claims	---	---
Current Portion of G.O. Bonds	393,967	323,584
Current Portion of Notes Payable	---	945,000
Matured Bonds and Coupons Payable	---	6,050
Payables from Restricted Assets:		
Accrued Revenue Bond Interest	---	12,169
Current Portion of Revenue Bonds	---	645,000
Total Current Liabilities	<u>898,219</u>	<u>3,966,966</u>
<u>Non-Current Liabilities</u>		
Estimated Liability for Landfill Closure	---	---
Notes Payable to Other Funds	114,022	---
General Obligation Bonds, Net of Current Portion	1,877,238	1,276,523
Unamortized Charges	(1,601)	(231,874)
Revenue Bonds, Net of Current Portion	---	2,595,000
Notes Payable, Net of Current Portion	---	16,294,288
Total Liabilities	<u>2,887,878</u>	<u>23,900,903</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	20,257,439	9,349,188
Unrestricted	677,979	4,279,540
Total Net Assets	<u>\$ 20,935,418</u>	<u>\$ 13,628,728</u>

The notes to the financial statement are an integral part of this statement.

EXHIBIT 5

Business Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 9,060,159	\$ 715,978	\$ 1,057,455	\$ 15,627,274	\$ 6,295,041
1,553,112	531,529	269,022	3,822,258	41,327
16,361	---	1,823	25,091	5,229
---	---	---	1,000	---
85,274	12,637	---	724,667	---
453,483	---	6,334	459,817	---
---	---	---	---	159,637
11,168,389	1,260,144	1,334,634	20,660,107	6,501,234
---	---	---	496,000	---
---	---	---	2,760	---
34,546,816	1,788,183	3,569,115	93,861,341	10,001,130
45,715,205	3,048,327	4,903,749	115,020,208	16,502,364
1,310,951	99,496	41,082	2,049,843	521,364
104,950	112,290	65,288	691,721	215,683
33,618	3,716	3,613	115,663	---
693,928	---	675	2,040,884	---
68,805	22,477	---	174,195	---
---	---	93,894	121,892	66,714
---	---	---	---	3,719,166
287,069	350,358	156,975	1,511,953	---
437,000	---	---	1,382,000	---
56	---	7,613	13,719	---
---	---	---	12,169	---
---	---	---	645,000	---
2,936,377	588,337	369,140	8,759,039	4,522,927
---	2,031,976	---	2,031,976	---
---	---	---	114,022	---
1,908,760	719,694	798,211	6,580,426	---
(72,381)	(3,522)	---	(309,378)	---
---	---	---	2,595,000	---
8,786,774	---	---	25,081,062	---
13,559,530	3,336,485	1,167,351	44,852,147	4,522,927
23,127,213	718,131	2,613,929	56,065,900	10,001,130
9,028,462	(1,006,289)	1,122,469	14,102,161	1,978,307
\$ 32,155,675	\$ (288,158)	\$ 3,736,398	\$ 70,168,061	\$ 11,979,437

**CITY OF SIOUX CITY, IOWA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Business Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>OPERATING REVENUES</u>		
Revenue from Use of Property	\$ 1,147,679	\$ ---
Charges for Service	401,087	7,742,305
Total Operating Revenues	1,548,766	7,742,305
<u>OPERATING EXPENSES</u>		
Employee Services	1,023,991	3,081,758
Supplies and Services	391,466	628,085
Repairs and Improvements	494,395	5,264,868
Utilities	141,665	478,976
Depreciation	1,387,659	1,519,685
Damage Settlement	---	6,587
Total Operating Expenses	3,439,176	10,979,959
Operating Income (Loss)	(1,890,410)	(3,237,654)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Intergovernmental Revenue	408,070	82,341
Interest Income	16,378	93,796
Revenue from Use of Property	14,780	58,076
Other Non-Operating Revenues	4,035,564	---
Interest Expense	(107,506)	(647,857)
Other Non-Operating Expenses	(533)	(66,000)
Total Non-Operating Revenues (Expenses)	4,366,753	(479,644)
Income (Loss) before Contributions and Transfers	2,476,343	(3,717,298)
Transfers In	220,510	20,000
Transfers Out	---	(224,161)
Changes in Net Assets	2,696,853	(3,921,459)
Net Assets - Beginning of the Year	18,238,565	17,550,187
Prior Period Adjustments	---	---
Net Assets - Beginning of the Year after Prior Period Adjustments	18,238,565	17,550,187
Net Assets - End of the Year	\$ 20,935,418	\$ 13,628,728

The notes to the financial statements are an integral part of this statement.

Business Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 8,722	\$ 306,348	\$ 13,693	\$ 1,476,442	\$ ---
10,799,187	3,956,640	1,506,013	24,405,232	15,974,609
10,807,909	4,262,988	1,519,706	25,881,674	15,974,609
2,145,207	1,425,863	500,683	8,177,502	8,588,812
4,442,969	1,259,843	690,274	7,412,637	642,837
1,366,268	739,498	192,255	8,057,284	1,737,989
14,467	26,828	53,854	715,790	28,944
1,879,765	131,427	129,949	5,048,485	2,004,211
---	---	---	6,587	449,627
9,848,676	3,583,459	1,567,015	29,418,285	13,452,420
959,233	679,529	(47,309)	(3,536,611)	2,522,189
---	13,091	---	503,502	---
140,615	34,555	10,398	295,742	5,229
151	681	1,777	75,465	82,858
---	---	10,749	4,046,313	261,603
(355,584)	(57,742)	(48,803)	(1,217,492)	---
(24,806)	(1,174)	---	(92,513)	---
(239,624)	(10,589)	(25,879)	3,611,017	349,690
719,609	668,940	(73,188)	74,406	2,871,879
---	---	---	240,510	1,071,105
(173,944)	---	---	(398,105)	(104,950)
545,665	668,940	(73,188)	(83,189)	3,838,034
30,896,554	(957,098)	3,809,586	69,537,794	8,141,403
713,456	---	---	713,456	---
31,610,010	(957,098)	3,809,586	70,251,250	8,141,403
\$ 32,155,675	\$ (288,158)	\$ 3,736,398	\$ 70,168,061	\$ 11,979,437

CITY OF SIOUX CITY, IOWA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Business Type Activities</u>	
	<u>Airport</u>	<u>Water System</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Received from Customers	\$ 6,027,220	\$ 8,301,735
Cash Paid for Personal Services	(1,021,600)	(3,059,407)
Cash Paid to Suppliers	(959,735)	(6,939,483)
Net Cash Provided by (Used For) Operating Activities	4,045,885	(1,697,155)
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Proceeds from Bond Sales	521,262	---
Bond Issuance Costs	---	(53,988)
Acquisition and Construction of Capital Assets	(5,260,544)	(4,706,883)
Proceeds from Sale of Assets	24,000	43,811
Proceeds from Notes Payable	---	11,163,855
Principal Paid on Notes and Bonds	(346,080)	(1,433,343)
Interest Paid on Notes and Bonds	(107,419)	(606,764)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(5,168,781)	4,406,688
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Transfers In	220,510	20,000
Transfers Out	---	(224,161)
Net Cash Provided by (Used for) Non-Capital Financing Activities	220,510	(204,161)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and Dividends on Investments	16,482	89,163
Net Cash Provided By Investing Activities	16,482	89,163
Net Increase (Decrease) in Cash and Cash Equivalents	(885,904)	2,594,535
Cash and Cash Equivalents at Beginning of Year	1,659,924	1,921,127
Cash and Cash Equivalents at End of Year	<u>\$ 774,020</u>	<u>\$ 4,515,662</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (1,890,410)	\$ (3,237,654)
<i>Adjustments to Reconcile Net Operating Income (Loss)</i>		
<i>to Net Cash Provided by Operating Activities:</i>		
Depreciation	1,387,659	1,519,685
Miscellaneous Non-Operating Income	4,443,634	140,417
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>		
Accounts Receivable	34,820	419,013
Due from Other Governments	(139,530)	(310,014)
Due from Other Funds	---	---
Inventories	---	---
Notes Receivable from Other Funds	---	---
Accounts Payable	(35,107)	284,460
Accrued Wages and Compensated Absences	2,391	22,351
Contracts and Retainers Payable	266,120	(526,371)
Due to Other Governments	---	(9,042)
Due to Other Funds	832	---
Estimated Liability for Landfill Closure	---	---
Estimated Liability for Damage Claims	---	---
Notes Payable to Other Funds	(24,524)	---
Total Adjustments	5,936,295	1,540,499
Net Cash Provided by (Used For) Operating Activities	<u>\$ 4,045,885</u>	<u>\$ (1,697,155)</u>
<u>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF</u>		
<u>NET ASSETS:</u>		
Cash and Cash Equivalents - Current Assets	\$ 774,020	\$ 4,019,662
Cash and Cash Equivalents - Restricted Assets	---	496,000
Cash and Cash Equivalents at End of Year	<u>\$ 774,020</u>	<u>\$ 4,515,662</u>

The notes to the financial statements are an integral part of this statement.

Business Type Activities				Governmental Activities
Sewer System	Solid Waste System	Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 11,488,657	\$ 4,435,223	\$ 1,538,693	\$ 31,791,528	\$ 16,048,821
(2,157,051)	(1,403,037)	(487,229)	(8,128,324)	(8,568,304)
(5,553,584)	(1,964,799)	(929,961)	(16,347,562)	(3,750,656)
3,778,022	1,067,387	121,503	7,315,642	3,729,861
---	---	---	521,262	---
(20,997)	---	---	(74,985)	---
(5,278,653)	---	---	(15,246,080)	(3,048,143)
---	---	---	67,811	261,603
4,249,643	---	---	15,413,498	---
(709,197)	(360,260)	(158,564)	(3,007,444)	---
(346,475)	(58,938)	(49,298)	(1,168,894)	---
(2,105,679)	(419,198)	(207,862)	(3,494,832)	(2,786,540)
---	---	---	240,510	1,071,105
(173,944)	---	---	(398,105)	(104,950)
(173,944)	---	---	(157,595)	966,155
134,558	34,555	10,546	285,304	---
134,558	34,555	10,546	285,304	---
1,632,957	682,744	(75,813)	3,948,519	1,909,476
7,427,202	33,234	1,133,268	12,174,755	4,385,565
\$ 9,060,159	\$ 715,978	\$ 1,057,455	\$ 16,123,274	\$ 6,295,041
\$ 959,233	\$ 679,529	\$ (47,309)	\$ (3,536,611)	\$ 2,522,189
1,879,765	131,427	129,949	5,048,485	2,004,211
151	13,772	12,526	4,610,500	82,858
680,597	158,463	6,461	1,299,354	(8,646)
(74,075)	(10,930)	---	(534,549)	---
(453,483)	---	(1,482)	(454,965)	---
---	---	---	---	(3,889)
---	---	---	---	---
841,078	29,475	2,259	1,122,165	333,665
(11,844)	22,826	13,454	49,178	20,508
(6,155)	---	675	(265,731)	---
(37,245)	(14,830)	---	(61,117)	---
---	---	4,970	5,802	19,073
---	57,655	---	57,655	---
---	---	---	---	(1,240,108)
---	---	---	(24,524)	---
2,818,789	387,858	168,812	10,852,253	1,207,672
\$ 3,778,022	\$ 1,067,387	\$ 121,503	\$ 7,315,642	\$ 3,729,861
\$ 9,060,159	\$ 715,978	\$ 1,057,455	\$ 15,627,274	\$ 6,295,041
---	---	---	496,000	---
\$ 9,060,159	\$ 715,978	\$ 1,057,455	\$ 16,123,274	\$ 6,295,041

EXHIBIT 8

**CITY OF SIOUX CITY, IOWA
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2004**

ASSETS

Cash and Cash Equivalents	\$	409,507
Accounts Receivable		<u>49,710</u>
Total Assets		<u>459,217</u>

LIABILITIES

Accounts Payable		290,088
Due to Other Governments		<u>169,129</u>
Total Liabilities		459,217

NET ASSETS

Unrestricted		<u>---</u>
Total Net Assets	\$	<u>---</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The City of Sioux City, Iowa, was incorporated May 5, 1855, under the laws of the State of Iowa, later amended by the Home Rule City Act. The City operates under the Council-Manager form of government and provides the following program services as authorized by its charter: individual and community protection, physical health, education and culture, leisure time opportunities, environmental preservation, housing and community development, transportation, and policy and administration. These program services are administered by departments, agencies and various boards.

These financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) that apply to governmental units. All funds created under the authority of the State Code of Iowa, the operations of which are under the control of the City's governing body, and by financial reporting standards for governmental units are included herewith.

The Governmental Accounting Standards Board is responsible for establishing U.S. GAAP for state and local government through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The City applies only the applicable FASB pronouncements issued prior to November 30, 1989 in accounting and reporting its business-type activities. The internal service funds follow FASB pronouncements issued before November 30, 1989. The more significant accounting policies established in U.S. GAAP and used by the City are discussed below.

The City of Sioux City has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the City.

The City of Sioux City does not include any component units within its reporting entity.

The City participates in jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. The City is a member of the County Assessor's Conference Board and the City Assessor's Conference Board.

B. Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general, special revenue, debt service, capital projects, and permanent funds are classified as governmental activities. The City's internal service fund is classified as a governmental-type activity. The government-wide financial statements do not include fiduciary funds.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 1-(Continued)

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first uses restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (Public Safety, Public Works, Culture and Recreation, Community and Economic Development, General Government, and Capital Projects), and business-type activities. The functions are also supported by general government expenses (including depreciation and interest expense) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The City does not allocate indirect costs. Certain expenses of the City are accounted for through the internal service fund on a cost-reimbursement basis.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

C. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria for the determination of major funds, which should have a specific community focus. The non-major funds are combined into a single column in the fund financial statements. The various funds reported in the financial statements are grouped into fund types as follows:

Governmental Fund Types –The governmental fund financial statements are reported using the current financial resources measurement focus. This means that the focus of the governmental funds' measurement is upon the determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The sources of revenue include property taxes, charges for services, fines and fees, licenses and permits, as well as state and federal grants. The expenditures of the General Fund relate to general administration, police and fire protection, maintenance of public streets, economic development, culture and recreation.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 1-(Continued)

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds for Sioux City include: Other Employee Benefits, Emergency Fund, Storm Water Drainage, Road Use, Community Development, Housing, Main Street, Younkers Self-Improvement District, Local Option Sales Tax, Convention Center/Auditorium, and Transit System.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Fiduciary Funds).

Permanent Fund - The Permanent Fund accounts for assets held by the City pursuant to the cemetery trust agreement. The principal portion of this fund type must remain intact. The earnings must be deposited into the General Fund as required by the Iowa Code.

Proprietary Fund Types - The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. Operating revenues and expenses are distinguished from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for services. Operating expenses consist of cost of sales and services, administrative expenses and depreciation on capital assets. The U.S. generally accepted accounting principles used are those applicable to similar businesses in the private sector.

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains several business-type activities. The funds for the enterprise funds are listed below.

Major Funds

<u>Airport Fund</u>	The Airport Fund accounts for the operation and maintenance of the City's airport facility.
<u>Water Fund</u>	The Water Utility Fund accounts for the operation and maintenance of the City's water system.
<u>Sewer Fund</u>	The Sewer Utility Fund accounts for the operation and maintenance of the City's sewer system.
<u>Solid Waste Fund</u>	The Solid Waste Fund accounts for the operation and maintenance of the City's solid waste facilities.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 1-(Continued)

Non-Major Funds

Parking Fund

The Parking Fund accounts for the operations of the City-owned parking ramps and other parking facilities.

Skyway System

The Skyway System accounts for the maintenance and security of the skyway system.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-recovery basis.

The City's internal service funds are presented in the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity.

Central Maintenance Garage

The Central Maintenance Garage Fund accounts for maintenance and repair services for the City's automotive equipment and acquisition of replacement vehicles.

Comprehensive Insurance

The Comprehensive Insurance Fund accounts for the funding and maintenance of the City's insurance policies provided to user departments.

Fiduciary Fund Types – Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support City programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide financial statements.

SIMPCO Fund

The Siouxland Interstate Metropolitan Planning Council (SIMPCO) Fund accounts for the activities of SIMPCO.

Revolving Fund

The Revolving Fund accounts for the refunds to City customers.

WCICC Fund

The Woodbury County Information Communication Center (WCICC) Fund accounts for the activity of the WCICC.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 1-(Continued)

D. Basis of Accounting

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual basis of accounting is used for all activities in the government-wide financial statements and for the proprietary and fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual basis of accounting is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes, assessments, and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

E. Budgets

Chapter 384, Section 16, of the State Code of Iowa requires the adoption of an annual budget on or before March 15 of each year, which becomes effective July 1 and constitutes the appropriation for each program specified therein until amended. The City budget may be amended for specified level purposes and budget amendments must be prepared and adopted in the same manner as the original budget. Appropriations, as adopted and amended, lapse at the end of the fiscal year, with the exception of Capital Improvement Projects and Encumbrances. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. The City's budget is prepared on the modified accrual basis of accounting. The legal level of control (the level on which expenditures may not legally exceed appropriations) is the program level for all funds combined rather than at the individual fund level. This level of control is at a level higher than the individual fund. It is necessary, therefore, to aggregate the expenditures of governmental fund types with expenses of proprietary fund types on a program level basis and to compare such program totals to program budgeted totals in order to demonstrate legal compliance with budget. Legal budget compliance for cities in the State of Iowa is applied only to expenditures.

F. Cash, Cash Equivalents and Investments

Cash and Cash Equivalents include not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in the cash management pool, which has the general characteristics of a demand deposit account.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 1-(Continued)

Iowa Code, Chapter 452.10, Custody of Public Funds, allows the City Treasurer to invest public funds not needed for operations. Chapter 97B.7, Trustees duties, indicates that the City Treasurer shall exercise the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs. Common, preferred, and guaranteed stock is an exception for the investment of public funds.

The City follows the provisions of GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments for External Investment Pools". The City used the following methods in determining the reported amounts: Commercial paper – quoted fair value, U.S. Treasuries – quoted fair value, U.S. Agencies – quoted fair value.

G. Short-Term Interfund Receivables/Payables

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds have not been paid or received as of June 30, 2004, balances of interfund amounts payable or receivable have been recorded as "due to other funds" and "due from other funds", respectively. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

H. Notes Receivable From Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as notes receivable.

I. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental and proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004 are recorded as prepaid items.

K. Restricted Assets

Revenue bond ordinances require the City to reserve certain cash and investments to provide for payment of bonds and interest, for protection of bondholders, and for extension and improvement of facilities. These balances are separately disclosed in the Enterprise Funds.

L. Capital Assets

Assets with an initial individual cost of \$5,000 or more are considered capital assets. Property and equipment are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure has been capitalized using historical or estimated historical cost beginning in 1980 as required by GASB 34. Depreciation on all assets is provided on the straight-line basis over the following estimated lives:

Buildings & Structures	39 - 50 Years
Machinery & Equipment.....	3 - 10 Years
Infrastructure	15 - 70 Years

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 1-(Continued)

M. Compensated Absences

Accumulated vacation and related employee benefits that are estimated to be paid from available financial resources are recorded as an expenditure and a fund liability in the governmental fund that will pay for it. Accumulated vacation and related employee benefits that are estimated to be carried forward and paid from future expendable financial resources is recorded in the General Fund. Proprietary fund types record accumulated vacation as an expense and fund liability as it accrues. Sick leave benefits are not vested with the exception of employees of the Transit System. All Transit System employees who are covered by the Amalgamated Transit Union receive, upon retirement or death, a sick leave benefit of up to 120 days of paid sick leave. All other non-vested sick leave benefits are not recorded as a liability.

N. Fund Equity

Reserves represent those portions of fund equity legally segregated for specific use in the future.

O. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used transactions and reimbursements, are reported as transfers.

Note 2 - Legal Compliance - Budgets

The City's legal compliance for budget to actual comparison is specified in Chapter 384.16 of the Code of Iowa and is for expenditures by program structure only. The City budgets on a modified accrual basis. Even though the Certified Budget is approved and published by program structure, the City's accounting system maintains expenditures and expenses by fund types for compliance with fund levy limits set out in the state code. No funds have legally adopted budgets.

During fiscal year 2004 the City Council held public hearings and amended the operating budget once. The amendment is as follows:

<u>PROGRAM STRUCTURE</u>	<u>ORIGINAL BUDGET</u>	<u>5/17/04 AMENDMENT</u>	<u>AMENDED BUDGET</u>
Public Safety	\$28,252,230	\$2,214,038	\$30,466,268
Public Works	10,153,564	1,325,720	11,479,284
Culture & Recreation	12,347,570	1,578,286	13,925,856
Community & Economic Development	16,471,273	2,332,052	18,803,325
General Government	19,619,115	2,267,939	21,887,054
Debt Service	19,159,375	3,651,630	22,811,005
Capital Projects	116,815,968	6,044,928	122,860,896
TOTAL	\$222,819,095	\$19,414,593	\$242,233,688

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 2-(Continued)

The following schedule demonstrates the City's legal compliance to the budget.

<u>PROGRAM STRUCTURE</u>	<u>AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Public Safety	\$30,466,268	\$24,921,335	\$5,544,933
Public Works	11,479,284	10,918,769	560,515
Culture & Recreation	13,925,856	12,210,191	1,715,665
Community & Economic Development	18,803,325	10,654,583	8,148,742
General Government	21,887,054	3,071,353	18,815,701
Debt Service	22,811,005	19,544,146	3,266,859
Capital Projects	<u>122,860,896</u>	<u>45,529,590</u>	<u>77,331,306</u>
TOTAL	<u>\$242,233,688</u>	<u>\$126,849,967</u>	<u>\$115,383,721</u>

Note 3 - Deposits and Investments

State statutes authorize the City to invest in "notes, certificates, bonds, prime eligible bankers acceptances, commercial paper rated within the two highest classifications of prime as established by at least one of the standard rating services approved by the Superintendent of Banking pursuant to Chapter 17A, perfected repurchase agreements, or other evidences of indebtedness which are obligations of or guaranteed by the United States of America or any of its agencies, or in time deposits in depositories as provided in Chapter 12B and receive the time certificates of deposit for the funds, certain registered open-end management investment companies, certain joint investment trusts or in savings accounts in depositories, or in warrants or improvement certificates of drainage districts." Additionally, as required by statute, the City Council has implemented an investment policy for the City. This policy does not specifically limit those authorized by statute, but does express the Council's preferences as to maturities, trading and location of financial institutions invested in. Investments during the year have not varied from these statutes and were consistent with those held by the City at year-end.

Deposits

The City's deposits at June 30, 2004 were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the City or the City's agent in the City's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. The City's bank deposits, per banks, at June 30, 2003 were \$41,502,370. These deposits have a book balance of \$38,756,844.

Investments

Investments are shown at fair value, except those that have a remaining maturity at the time of purchase of one year or less are shown at amortized costs.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 3-(Continued)

For reporting purposes the City's investments are classified in these three categories of credit risk:

1. Insured or registered, or securities held by the City or its agent in the City's name.
2. Uninsured and unregistered with securities held by the counterparty's trust department or agent in the City's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

<u>Investments</u>	<u>Category</u>			<u>Total</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Carrying Amount</u>
Commercial Paper	\$ —	\$ 1,993,024	\$ —	\$ 1,993,024
U.S. Treasuries	—	414,813	—	414,813
U.S. Agencies	—	18,988,141	—	18,988,141
	<u>\$ —</u>	<u>\$21,395,978</u>	<u>\$ —</u>	<u>\$21,395,978</u>

Cash and Cash Equivalents

The City pools its resources of each individual funds available cash in order to obtain higher rates of return than could be if the funds were invested individually. The interest earned on the Cash and Cash Equivalents is allocated to selected funds, as determined by the Director of Finance and the City Treasurer, in accordance with the City's investment policy, based on the ratio of each funds participation in the pool. The Cash and Cash Equivalents at June 30, 2004 consisted of the following:

Reconciliation to Exhibit 1:

	<u>Carrying Amount</u>
Investments	\$21,395,978
Bank Deposits	38,756,844
Cash on hand, petty cash and other cash items	<u>29,261</u>
Total Cash and Cash Equivalents	<u>\$60,182,083</u>
Cash and Cash Equivalents	\$59,686,083
Cash and Cash Equivalents Restricted	<u>496,000</u>
Total Cash and Cash Equivalents	<u>\$60,182,083</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 4 - Revenue Bond Compliance

The following schedule shows the Revenue bond ordinance covenant ratios:

	<u>WATER SYSTEM</u>
OPERATING REVENUE (CASH BASIS)	
Charges for Service	\$ 7,697,458
OPERATING EXPENSES (CASH BASIS)	
Transmission and Distribution	1,651,150
Pumping and Purification	1,680,961
Administration	1,291,429
Meter Shop and Repair	194,915
Utility Billing	176,100
TOTAL OPERATING EXPENSES	<u>4,994,555</u>
AMOUNT AVAILABLE FOR DEBT SERVICE	<u>\$ 2,702,903</u>
REVENUE BOND PRINCIPAL AND INTEREST	<u>\$ 791,032</u>
REVENUE BOND COVENANT RATIO	<u>3.42</u>

The following requirements were set forth for revenue bonds issued by the Water System issued by the City of Sioux City.

Water
The City has pledged to maintain a reserve fund called the Water Revenue Debt Reserve that is equal to at least the lesser of:
A. Maximum principal and interest coming due in any succeeding fiscal year.
Or
B. 10% of the proceeds of the sale of bonds.
Or
C. 125% of average annual principal and interest on the bonds.

All of the above bond ordinance requirements were met in fiscal year 2004, which resulted in no over or under funding of the required bond funds as of June 30, 2004.

CITY OF SIOUX CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 5 - Receivables

The following schedule details receivables:

<u>Fund Type</u>	<u>Property Taxes</u>	<u>Grants/Revenue from Other Governments</u>	<u>Accounts Receivable</u>	<u>Notes Receivable</u>	<u>Special Assessments</u>	<u>Total</u>
GENERAL	\$19,848,186	\$ 869,634	\$ 653,352	\$ ---	\$ ---	\$21,371,172
Special Revenues						
Emergency Fund	514,351	---	---	---	---	514,351
Storm Water Drainage	---	---	55,821	---	---	55,821
Road Use	---	563,344	---	---	---	563,344
Community Development	---	568,471	---	4,102,402	---	4,670,873
Housing	---	8,125	17,731	---	---	25,856
Main Street	123,757	---	---	---	---	123,757
Local Option Sales Tax	---	1,363,245	---	124,587	---	1,487,832
Convention Ctr/Auditorium	---	---	166,780	---	---	166,780
Transit System	---	905,944	9,155	---	---	915,099
Employee Benefits	11,231,267	---	---	---	---	11,231,267
TOTAL SPECIAL REVENUES	11,869,375	3,409,129	249,487	4,226,989	---	19,754,980
DEBT SERVICE	12,414,361	---	135,320	561,538	1,152,335	14,263,554
CAPITAL PROJECTS	---	7,604,375	3,938	305,956	---	7,914,269
Enterprises						
Airport System	---	316,742	200,460	1,000	---	518,202
Water System	---	310,014	1,268,135	---	---	1,578,149
Sewer System	---	85,274	1,553,112	---	---	1,638,386
Solid Waste System	---	12,637	531,529	---	---	544,166
Parking Facility	---	---	163,584	---	---	163,584
Skyway System	---	---	105,438	---	---	105,438
TOTAL ENTERPRISE	---	724,667	3,822,258	1,000	---	4,547,925
Internal Service Funds						
Central Maintenance Garage	---	---	40,024	---	---	40,024
Comprehensive Insurance	---	---	1,303	---	---	1,303
TOTAL INTERNAL SERVICE	---	---	41,327	---	---	41,327
TOTAL RECEIVABLES	\$44,131,922	\$ 12,607,805	\$4,905,682	\$5,095,483	\$ 1,152,335	\$67,893,227

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 5-(Continued)

All property subject to taxation is valued by the City Assessor, in compliance with State law, every two years subject to equalization action of the State Director of Revenue and further adjustment to restrict growth of taxable valuations to an annual limit of four percent statewide.

Taxes are billed and collected for the City of Sioux City by the Woodbury County Treasurer and are levied and due on July 1 of each year. Property taxes attach as an enforceable lien on March 15, also. The first installment becomes delinquent the following October 1 and the second installment becomes delinquent April 1 of the following calendar year. Property tax revenues are recognized when they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed sixty days. The maximum rate for the General Fund is \$8.10 per thousand dollars assessed valuation. General Obligation Bonds issued are payable from taxes levied in the Debt Service Fund without limitation as to rate or amount. The City has been at the \$8.10 General Fund limit for the past twenty-four years.

In Fiscal 1983, the City received an Urban Development Action Grant (UDAG) totaling almost \$2,000,000, which was loaned to area businesses for commercial and industrial developments. The loans had an interest rate of 12% annually until the projects were completed. When the projects were completed, the interest rate dropped to 3%. During fiscal year 1985, the last of the original three projects reached completion and all are now paying 3%. Until the date of completion, only the interest was payable. The City is entitled to all of the funds that are paid back on the loans. These funds can be loaned to other businesses for commercial or industrial development. All loans are secured by mortgages on the related real estate. During Fiscal 2004, the City received \$172,634 in principal payments. The balance of loans outstanding at June 30, 2004 is \$509,812.

The City also has other notes receivable totaling \$673,129 at June 30, 2004, from rehabilitation loans made from Community Development funds. In connection with the Home Program funded by the U.S. Department of Housing and Urban Development the Community Development Fund had notes receivable outstanding of \$2,919,461 from fourteen local businesses.

The Debt Service Fund has notes receivable from CEBA projects with balances due at June 30, 2004 of \$419,709. The Debt Service Fund has a note receivable outstanding at June 30, 2004 of \$92,765 from Woodbury County in connection with new software purchased. The balance is scheduled to be repaid over 3 years at 5% interest. The note receivable from the Sioux City Explorer's Baseball has a balance of \$49,064. The note has a 6% interest rate and will be paid in equal payments of \$8,287 over the next four years.

The City has two new loans in the Capital Projects Fund. On August 18, 2003 the City signed an agreement to loan Green-Valley Floyd Golf Corporation \$250,000 for the purchase and installation of a new sprinkler system at Floyd Golf Course. The current balance of the receivable is \$185,956. The City also has a loan receivable with the Castle on the Hill for \$120,000. The purpose of the loan is for the development of affordable housing in the City. The loan carries an interest rate of 1% for a term of 20 years, amortized over 30 years with deferred payments in Years 1-10.

The City has a number of notes receivable from economic development incentive packages with local businesses totaling \$124,587. These notes receivables are reported in the Local Option Sales Tax fund.

The Airport Fund has a note receivable of \$1,000 in connection with Trans World Airlines, Inc. bankruptcy proceedings.

The Water, Sewer, and Solid Waste Funds accrue unbilled revenues rendered subsequent to the last billing date and prior to year end based upon the number of days unbilled compared to the first billing subsequent to year end. At June 30, 2004, unbilled utility revenues included in the accounts receivable of the Water, Sewer and Solid Waste System funds were \$752,540, \$890,726 and \$310,440, respectively.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 6 - Capital Assets

The following is a combined presentation of the Capital Assets as they appear in the financial statements as of June 30, 2004:

	Enterprise Funds	Internal Service Funds	General Capital Assets	Totals
Land	\$ 2,640,471	\$ —	\$ 35,770,654	\$ 38,411,125
Infrastructure	—	—	104,354,754	104,354,754
Buildings	53,221,504	684,182	38,992,894	92,898,580
Building under Capital Lease	—	—	7,675,000	7,675,000
Imprv.-Other than Bldgs.	74,182,080	554,841	14,447,182	89,184,103
Equipment	5,815,292	22,703,057	12,985,612	41,503,961
Construction in Progress	31,815,262	—	92,225,280	124,040,542
Less: Accum. Depreciation	<u>(73,813,268)</u>	<u>(13,940,950)</u>	<u>(59,243,248)</u>	<u>(146,997,466)</u>
Net Capital Assets	<u>\$93,861,341</u>	<u>\$10,001,130</u>	<u>\$247,208,128</u>	<u>\$351,070,599</u>

The Internal Service Funds and General Capital Assets are combined on the Governmental Activities Statement of Net Assets.

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 6 – Capital Assets (Continued)

A summary of the changes in capital assets for the year ended June 30, 2004, is as follows:

Governmental Activities (including Internal Service Funds):

	Balance June 30, 2003	Additions	Disposals	Balance June 30, 2004
Capital assets, not being depreciated:				
Land	\$ 35,115,355	\$ 655,299	\$ —	\$ 35,770,654
Construction in Progress	59,650,094	33,816,823	(1,241,637)	92,225,280
Buildings under capital lease	7,675,000	—	—	7,675,000
Total capital assets, not being depreciated	<u>102,440,449</u>	<u>34,472,122</u>	<u>(1,241,637)</u>	<u>135,670,934</u>
Capital assets, being depreciated:				
Buildings	39,625,609	51,467	—	39,677,076
Improvements other than buildings	14,995,623	6,400	—	15,002,023
Equipment	32,771,845	4,420,910	(1,504,086)	35,688,669
Infrastructure	101,722,181	2,632,573	—	104,354,754
Total capital assets, being depreciated	<u>189,115,258</u>	<u>7,111,350</u>	<u>(1,504,086)</u>	<u>194,722,522</u>
Less accumulated depreciation for:				
Buildings	(17,689,375)	(1,099,542)	—	(18,788,917)
Improvements other than buildings	(3,918,758)	(734,471)	—	(4,653,229)
Equipment	(22,675,098)	(2,685,206)	1,504,086	(23,856,218)
Infrastructure	(23,686,404)	(2,199,430)	—	(25,885,834)
Total accumulated depreciation	<u>(67,969,635)</u>	<u>(6,718,649)</u>	<u>1,504,086</u>	<u>(73,184,198)</u>
Total capital assets, being depreciated, net	<u>121,145,623</u>	<u>392,701</u>	<u>—</u>	<u>121,538,324</u>
Governmental Activities capital assets, net	<u>\$223,586,072</u>	<u>\$34,864,823</u>	<u>(\$1,241,637)</u>	<u>\$257,209,258</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 6 – Capital Assets (Continued)

The following is included in construction in progress:

Event Center	\$48,384,226
Ground Transportation Center	8,914,885
Floyd Blvd. Reconstruction	4,325,289
Military Road	4,184,935
Riverside/Greenville/Rose Hill Sts.	3,396,199
Lincoln Way Extended	3,144,999
Outer Belt Floyd to Lewis	2,556,977
6 th St. Bridge Repairs	2,406,402
Infrastructure Reconstruction	2,202,068
Whispering Hills/Southgate/Eastgate	2,162,475
Court St. Reconstruction	1,927,370
Lakeport Road Extension	1,401,021
Perry Creek Flood Control	1,232,886
Ballfield Relocation	975,441
Expedition Business Park	864,989
Court St. 21 st to 27 th	753,648
Rehab Station 6	677,966
4 th St. Corridor Redevelopment	568,733
Skate Park	358,019
Lite Rail System	304,882
Lewis & Clark Interpretive Center	172,191
Stone Ave. Improvement	168,763
Phoenix Place	157,800
Library Card Catalog System	151,745
Riverside Sports Complex	146,616
Sioux Harbor Travel Plaza	115,878
33 rd Street/Glenn	109,523
Lewis & Clark Stadium Improvements	86,619
Dace/Cunningham/Leech Align	80,070
Chris Larson Park Warming House	79,988
Chautauqua Park Trails Phase II	42,301
MidAmerican Street Construction	41,728
Museum Capital Projects	32,681
Bacon Creek Improvements	31,761
Sgt. Floyd/Welcome Center	28,597
Asphalt Plant	28,329
City Boat Dock Replacement	5,000
Rose Garden Rehab	2,280
	<hr/>
	\$92,225,280

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 6 – Capital Assets (Continued)

Business-Type Activities:

	Balance June 30, 2003	Additions	Disposals	Balance June 30, 2004
Capital assets, not being depreciated:				
Land	\$ 2,052,449	\$ 588,022	\$ —	\$ 2,640,471
Construction in progress	21,267,660	10,975,960	(428,358)	31,815,262
Total capital assets, not being depreciated	<u>23,320,109</u>	<u>11,563,982</u>	<u>(428,358)</u>	<u>34,455,733</u>
Capital assets, being depreciated:				
Buildings	53,221,504	—	—	53,221,504
Improvements other than buildings	71,646,076	2,536,004	—	74,182,080
Equipment	5,732,759	138,578	(56,045)	5,815,292
Total capital assets, being depreciated	<u>130,600,339</u>	<u>2,674,582</u>	<u>(56,045)</u>	<u>133,218,876</u>
Less accumulated depreciation for:				
Buildings	(46,907,451)	(1,337,118)	—	(48,244,569)
Improvements other than buildings	(17,532,030)	(3,428,704)	—	(20,960,734)
Equipment	(4,372,123)	(282,664)	46,822	(4,607,965)
Total accumulated depreciation	<u>(68,811,604)</u>	<u>(5,048,486)</u>	<u>46,822</u>	<u>(73,813,268)</u>
Total capital assets, being depreciated, net	<u>61,788,735</u>	<u>(2,373,904)</u>	<u>(9,223)</u>	<u>59,405,608</u>
Business-Type Activities capital assets, net	<u>\$85,108,844</u>	<u>\$9,190,078</u>	<u>\$(437,581)</u>	<u>\$93,861,341</u>

Reconciliation of Invested in Capital Assets, Net of Related Debt:

	Governmental Activities	Business-type Activities
Capital Assets (net of accumulated depreciation)	\$257,209,258	\$93,861,341
Less: G.O. Bonds Payable	89,042,621	8,092,379
Notes Payable	644,709	26,463,062
Capital Lease	1,915,000	—
Revenue Bonds	—	3,240,000
Invested in Capital Assets, Net of Related Debt	<u>\$165,606,928</u>	<u>\$56,065,900</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 7 – Capital Leases

The City entered into a lease agreement with the Sioux City Chamber Foundation as lessee for the construction of the Sioux City Convention Center. The leased assets and related obligations are accounted for in the governmental activities on the statement of net assets. Buildings under capital lease totaled \$7,675,000. On July 8, 1993, the Sioux City Chamber Foundation refunded the Civic Center G.O. Bonds. The existing capital lease was reformatted to account for the refunding resulting in a net savings to the City of \$659,735.

The following is a schedule of future minimum lease payments under capital lease, together with the net present value of the minimum lease payments as of June 30, 2004.

Year Ending June 30	Amount
2005	\$ 700,750
2006	705,500
2007	703,500
Minimum Lease Payments	2,109,750
Less: Amount Representing Interest	(194,750)
Present Value of Minimum Lease Payments	\$ 1,915,000

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 8 – Long-Term Debt

NOTES PAYABLE

The City has four CEBA loans with the Iowa Department of Economic Development. The interest rates on these loans are at 0% and all loans are unsecured. The total balance outstanding on these notes at June 30, 2004 was \$419,709.

During fiscal year 2003, the City borrowed \$300,000 on a 0% interest loan from the Iowa DOT's AMOCO Loan Program. The funds went toward the local match required for a FTA grant for the new ground transportation center. The loan is unsecured. The total balance outstanding at June 30, 2004 was \$225,000.

During fiscal year 1997, the City borrowed funds from the State of Iowa through the Iowa Sewage Treatment Works Financing Program. The City received two low interest notes to help finance the construction of the Southeast Morningside Interceptor Sewer. Both notes are unsecured. The first loan with an original amount of \$1,422,000 has an interest rate of 3.74% and had a balance outstanding at June 30, 2004 of \$908,000. The second loan with an original amount of \$1,363,000 has an interest rate of 4.54% and had a balance outstanding at June 30, 2004 of \$958,000.

During fiscal year 2003, the City borrowed funds from the State of Iowa Clean and Drinking Water State Revolving Funds. The City received three notes at 3% interest to make certain improvements to the wastewater treatment and water systems. All three notes are unsecured. The Water fund had an outstanding balance of \$13,225,000 and the Sewer fund had an outstanding balance of \$7,357,774 at June 30, 2004.

Additionally, the City borrowed \$11,264,000 from the State of Iowa Clean and Drinking Water State Revolving funds in fiscal year 2004. The loan is to be drawn upon as the funds are spent on the improvements. Accordingly, repayment on the note does not begin until the note is fully drawn. The loan was not completely drawn during fiscal 2004. The outstanding balance on the note as of June 30, 2004 was \$4,014,288.

Annual debt service requirements to maturity for the above notes payable are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$215,083	\$ ---	\$ 1,382,000	\$1,043,184
2006	184,833	---	1,427,000	1,000,264
2007	161,458	---	1,468,000	955,928
2008	83,335	---	1,515,000	910,316
2009	---	---	1,563,000	863,210
2010-2014	---	---	7,780,288	3,345,564
2015-2019	---	---	6,241,000	1,377,402
2020-2023	---	---	5,086,774	413,370
Total	<u>\$644,709</u>	<u>\$ ---</u>	<u>\$26,463,062</u>	<u>\$9,909,238</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 8-(Continued)

GENERAL OBLIGATION BONDS

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and projects. General obligation bonds have been issued for both governmental and business-type activities. These bonds are direct obligations and pledge the full faith and credit of the City.

The City issued new bonds during fiscal 2004 as follows:

On November 17, 2003, the City sold general obligation bonds in two series. Series A was for \$6,315,000 with an average interest rate of 3.09% and an average life of 5.922 years. Series B was for \$6,085,000 with an average interest rate of 2.96% and an average life of 5.869 years. The bonds were sold to UBS Paine Webber for \$6,345,302 and \$6,074,237, respectively. The proceeds were used to fund the fiscal year 2004 Capital Improvement Program.

On February 9, 2004, the City also sold \$3,220,000 refunding general obligation bonds with an average interest rate of 1.72% and an average life of 2.714 years. The bonds were sold to Citigroup Global Markets, Inc. for \$3,232,055 and refunded \$3,220,000 general obligation bonds issued December 1995 with a net interest rate of 1.86%. The total savings to the City is \$157,072 with a present value of \$142,979. The savings are allocated to the debt service fund.

General obligation bonds outstanding as of June 30, 2004 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Governmental Activities	2.00 – 5.00%	\$79,126,765
Governmental Activities – Refunding	2.00 – 4.45%	9,915,856
Business-type Activities	2.00 – 5.00%	5,763,235
Business-type Activities – Refunding	2.00 – 4.00%	\$ 2,329,144

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$13,103,047	\$ 3,373,247	\$1,511,953	\$ 341,401
2006	14,169,118	2,911,879	1,505,882	280,120
2007	13,192,319	2,410,447	1,427,681	221,522
2008	11,368,308	1,930,712	926,692	164,823
2009	10,191,628	1,510,229	763,372	127,639
2010-2015	27,018,201	3,119,890	1,956,799	233,016
Total	<u>\$89,042,621</u>	<u>\$15,256,404</u>	<u>\$8,092,379</u>	<u>\$1,368,521</u>

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 8-(Continued)

REVENUE BONDS

The City also has issued revenue bonds where the City pledges income derived from the acquired or constructed asset to pay debt service. Revenue bonds outstanding at June 30, 2004 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amounts</u>
Water System	4.46%	\$3,240,000

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 645,000	\$ 146,032
2006	680,000	117,008
2007	720,000	86,407
2008	730,000	54,008
2009	465,000	21,157
Total	<u>\$3,240,000</u>	<u>\$ 424,612</u>

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$88,040,439	\$14,426,738	\$13,424,556	\$89,042,621	\$13,103,047
Notes Payable	859,792	—	215,083	644,709	215,083
Capital Lease Obligations	2,480,000	—	565,000	1,915,000	605,000
Compensated Absences	<u>2,703,032</u>	<u>2,351,853</u>	<u>2,274,363</u>	<u>2,780,522</u>	<u>1,695,953</u>
Governmental Activities					
Long-term Liabilities	<u>94,083,263</u>	<u>16,778,591</u>	<u>16,479,002</u>	<u>94,382,852</u>	<u>15,619,083</u>
Business-type Activities:					
Bonds Payable:					
General Obligation Bonds	9,044,561	1,193,262	2,145,444	8,092,379	1,511,953
Revenue Bonds	3,840,000	—	600,000	3,240,000	645,000
Notes Payable	<u>11,870,924</u>	<u>15,526,138</u>	<u>934,000</u>	<u>26,463,062</u>	<u>1,382,000</u>
Business-type Activities					
Long-term Liabilities	<u>\$24,755,485</u>	<u>\$16,719,400</u>	<u>\$3,679,444</u>	<u>\$37,795,441</u>	<u>\$3,538,953</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 8-(Continued)

UNAMORTIZED BOND CHARGES

Unamortized bond charges related to bond activities consisted of the following items at June 30, 2004:

Fund or Activity Type	Bond Issue Date	Original Amount	Balance at 6/30/03 with Current Year Additions	2004 Amortization	Balance at 6/30/04
Governmental Activities:					
Bond Issue Costs:					
General Fund	12/1/2000	\$ 91,249	\$ 59,327	\$ 10,641	\$ 48,686
General Fund	11/1/2001	74,050	58,865	7,592	51,273
General Fund	7/1/2002	77,771	66,661	11,110	55,551
General Fund	12/1/2002	72,160	62,788	9,372	53,416
General Fund	11/1/2003	56,208	56,208	5,110	51,098
General Fund	2/9/2004	23,815	23,815	5,954	17,861
Bond Discount:					
General Fund	12/1/2000	135,175	92,992	14,061	78,931
General Fund	7/1/2002	77,088	66,076	11,012	55,064
General Fund	12/1/2002	28,007	25,852	2,155	23,697
General Fund	11/1/2003	10,763	10,763	978	9,785
Bond Premium:					
General Fund	11/1/2001	(172,081)	(114,721)	(28,680)	(86,041)
General Fund	12/1/2002	(43,002)	(32,251)	(10,750)	(21,501)
General Fund	11/1/2003	(42,356)	(42,356)	(5,768)	(36,588)
Subtotal Governmental Activities			334,019	32,787	301,232
Business-type Activities:					
Bond Issue Costs:					
Airport System	11/1/2001	3,202	2,134	533	1,601
Water System	11/1/2001	640	427	107	320
Solid Waste	11/1/2001	7,043	4,696	1,174	3,522
Loan Origination Fees:					
Water System	6/25/2002	137,360	130,819	6,541	124,278
Water System	1/2/2004	112,640	112,640	5,364	107,276
Sewer System	6/25/2002	80,000	76,190	3,809	72,381
Subtotal Business-type Activities			326,906	17,528	309,378
Total Governmental and Business-type Activities			\$ 660,925	\$ 50,315	\$ 610,610

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 9 - Deficit Equity Balances

The Employee Benefits Fund reported a negative fund balance at June 30, 2004 of \$160,902. This deficit will be corrected with the Fiscal Year 2005 budget with increase in taxes.

The Younkers Self-Improvement District reported a negative fund balance at June 30, 2004 of \$1,587. The deficit will be corrected during Fiscal Year 2005 with increase in taxes.

The Convention Center/Auditorium had a deficit fund balance at June 30, 2004 of \$1,447,943, up from \$792,951 at June 30, 2003. The operation of the Convention Center and Auditorium requires a high percentage of their costs to be fixed and therefore, when revenue is down, the fund operates at a deficit. The FY05 budget should correct this with a combination of revenue increases and taxes.

The Solid Waste System decreased its deficit net assets to \$288,158 in fiscal 2004 from \$957,098 in fiscal 2003. On July 1, 1998 a \$.50 per customer, per month, rate increase went into effect. The fund is expected to break even in Fiscal Year 2007.

The Comprehensive Insurance fund had a deficit net assets at June 30, 2004 of \$220,324, down from \$2,845,247 at June 30, 2003. Due to increases in health costs and an increase in contingent liabilities, fiscal 2005 insurance premiums have been increased to fund the deficit.

Note 10 - Internal Balances

The following is a summary of Interfund Receivables/Payables and Notes Receivables/Payables as of June 30, 2004:

Fund	Interfund Receivable	Interfund Payable	Notes Receivable	Notes Payable
General	\$ 1,249,533	\$ 843	\$ ---	\$ ---
Employee Benefits	---	284,359	---	---
Capital Improvements	---	453,483	---	---
Debt Service	27,998	---	114,022	---
Nonmajor Governmental	---	810,057	---	---
Airport	---	27,998	---	114,022
Sewer	453,483	---	---	---
Nonmajor Enterprise	6,334	93,894	---	---
Internal Service	---	66,714	---	---
Totals	<u>\$1,737,348</u>	<u>\$1,737,348</u>	<u>\$ 114,022</u>	<u>\$ 114,022</u>

Internal Balances represent amounts due from/due to other funds to cover deficit cash balances at June 30, 2004. The Notes Receivable in the Debt Service Fund is for an advance made to the Airport for the amount owed for previous debt service payments. The Airport makes annual payments to the Debt Service Fund. The current portion of \$24,524 is reported as an Interfund Payable/Receivable.

CITY OF SIOUX CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 10 - Internal Balances (Continued)

The following is a summary of Transfers between Fund Types:

	Governmental Fund Types				Proprietary Fund Types			Total Transfers Out
	General	Debt Service	Capital Improv	Nonmajor Govt	Airport	Water	Internal Service	
General	\$ ---	\$ 689,000	\$ 1,699,706	\$ 1,982,653	\$ ---	\$ ---	\$ 9,500	\$ 4,380,859
Employee Benefits	8,269,065	---	---	---	---	---	---	8,269,065
Debt Service	60,000	---	3,940,933	81,436	77,090	20,000	---	4,179,459
Capital Improvements	15,343	776,003	---	---	143,420	---	1,061,605	1,996,371
Nonmajor Govt	545,520	6,533,260	2,631,742	186,199	---	---	---	9,898,721
Airport	---	---	---	---	---	---	---	---
Water	---	---	224,161	---	---	---	---	224,161
Sewer	---	---	173,944	---	---	---	---	173,944
Nonmajor Enterprise	---	---	---	---	---	---	---	---
Internal Service	---	---	104,950	---	---	---	---	104,950
TOTAL TRANSFERS-IN	\$ 8,889,928	\$ 7,998,263	\$ 8,775,436	\$ 2,252,288	\$ 220,510	\$ 20,000	\$ 1,071,105	\$ 29,227,530

Transfers are used to:

1. Move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.
2. To move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.
3. To use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF SIOUX CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 11 - RESERVES

The following schedule reflects all Reserves of Fund Balances as presented in the Fund Level Statements:

	Fund Balances Reserves					
	Encumbrances	Long Term Notes/Adv. Receivable	Inventory/ Debt Service	Endowments/ Capital Improv.	Prepaid Items	Total
General	\$ 330,372	\$ ---	\$ ---	\$ ---	\$ ---	\$ 330,372
Special Revenue						
Road Use	132,521	---	---	---	---	132,521
Community Development	1,165,847	4,102,402	---	---	13,878	5,282,127
Housing	460	---	---	---	329,816	330,276
Local Option Sales Tax	---	66,961	---	---	---	66,961
Transit Operations	---	---	106,352	---	---	106,352
Total Special Revenue	1,298,828	4,169,363	106,352	---	343,694	5,918,237
Debt Service	1,092	675,560	4,924,215	---	---	5,600,867
Capital Improvements	12,787,964	---	---	10,666,980	---	23,454,944
Permanent Fund Cemetery Trust	\$ ---	\$ ---	\$ ---	\$ 724,772	\$ ---	\$ 724,772
TOTAL RESERVES OF FUND BALANCES						\$ 36,029,192

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 12 - Risk Management/Contingent Liabilities

The City participates in a number of federally assisted grant programs, principally Federal Aviation Administration, FTA Capital, Planning and Operating Assistance Grants, Federal Highway Construction Grants, Community Development Block Grant. The programs are subject to financial and compliance audits. The amount of expenditures if any, which may be disallowed by the Grantor agencies is not determinable at this time; however, City officials do not believe that such amounts would be significant.

The City is a defendant in a number of lawsuits in its normal course of operations. The City Attorney estimates that an unfavorable outcome on certain lawsuits is likely and, accordingly, a provision for losses of \$1,548,239 has been established in the accompanying financial statements as of June 30, 2004. A provision for health claims incurred but unpaid as of June 30, 2004 of \$2,170,927 has also been recorded.

The City is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees, or acts of God. The City has self-insured itself since July 1, 1986 for general liability, automobile, transit and workers compensation. The City began self-insuring health coverage as of July 1, 1988. It is self-insured for health coverage risk up to \$75,000, specific, and 125% of expected annual paid claims in the aggregate.

The self-insurance programs are administered using an internal service fund, the Comprehensive Insurance fund, which records premium revenue as "Charges for Service". All funds of the City participate in the self-insurance programs and make payments to the Comprehensive Insurance fund based on pre-determined amounts needed to pay prior and current year claims and to establish a reserve for future catastrophic losses. Currently the City is unfunded for reserves to cover incurred but unreported claims and unanticipated claim fluctuations.

The City maintains outside insurance coverage through various insurance policies on buildings and their contents, equipment and property, employee dishonesty, and excess health coverage throughout 2004. There have been no significant reductions in insurance coverage from prior years. The City has had no amount of settlements exceeding insurance coverage for each of the past five fiscal years.

The claims payable, including claims incurred but not yet reported, have been determined by the City's management and have been recorded in the accompanying financial statements. Changes in the fund's claims liability amount were as follows:

Year ended June 30	Beginning Balance Liability	Claims and Changes in Estimates	Claim Payments	Ending Balance
1997	\$ 3,465,897	\$ 5,152,111	\$ 5,015,413	\$ 3,602,595
1998	3,602,595	4,138,232	4,850,423	2,890,404
1999	2,890,404	4,687,472	4,878,764	2,699,112
2000	2,699,112	6,397,681	5,580,742	3,246,051
2001	3,246,051	9,144,373	7,162,571	5,227,853
2002	5,227,853	8,644,172	8,604,898	5,267,127
2003	5,267,127	7,879,845	8,187,698	4,959,274
2004	4,959,274	6,998,492	8,238,600	3,719,166

CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

Note 13 - Commitments

The City has recognized as a liability only that portion of construction contracts completed through June 30, 2004. The following summary presents the amount of contracts outstanding at June 30, 2004:

Construction	\$10,570,258
Design & Engineering Services	2,404,033
Other	3,172,476
Less: Due, but unpaid at June 30, 2004	<u>(7,901,036)</u>
Construction Contract Commitments	<u>\$8,245,731</u>

In addition to the above construction contract commitments outstanding at June 30, 2004, the City had \$2,662,338 of purchase orders outstanding.

Note 14 - Deferred Revenues

Deferred Revenues, which are measurable but not yet available at June 30, 2004, are as follows:

	<u>EXHIBIT 1</u>	<u>EXHIBIT 3</u>
Property Taxes	\$43,308,421	\$43,500,042
Special Assessments	<u>—</u>	<u>1,037,101</u>
Total Deferred Revenues	<u>\$43,308,421</u>	<u>\$44,537,143</u>

Note 15 - Joint Venture

The Woodbury County Information and Communication Commission (WCICC) was formed in fiscal year 1988. WCICC was established to operate a combined data processing and communications center for the City and the County. Each governmental unit selects two of its members to serve on the commission and a fifth member is selected by the commission. The operating budget is approved by both governments with contributions for operations from both. All assets, liabilities and equity are owned on a 60/40 basis. Summary financial information as of, and for the fiscal year ended June 30, 2004 is presented as follows:

Other Assets	<u>\$1,153,844</u>
Total Assets	<u>1,153,844</u>
Total Liabilities	158,239
Fund Equity	<u>995,605</u>
Total Liabilities and Fund Equity	<u>1,153,844</u>
Total Revenue	1,945,340
Total Expenditures	<u>(1,864,870)</u>
Net increase in Fund Balance	<u>\$ 80,470</u>

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 15-(Continued)

The Woodbury County Information and Communication Commission does not publish a Comprehensive Annual Financial Report. The City's share of the fixed assets are reported in governmental activities.

City's Share of Joint Venture	
Assets	60%
Liabilities	60%
Equity	60%

Note 16 - Post-Employment Health Care Benefits

All full time employees that retire or become disabled are offered the following options:

Health Insurance - The option of continuing with the City's Health Insurance plan at the employee's own cost.

Life Insurance - The option of converting their City paid policy from term to whole life at their own expense with our life insurance carrier.

Long-Term Disability - The option of converting their City paid group policy to a personal policy at their own expense with our life insurance carrier.

Any other full-time employee that terminates his/her employment with the City can continue their health benefit plan for 18 months as afforded by the Consolidated Omnibus Budget Reconciliation Act of 1985. Again the full cost is that of the terminated employee. After the 18-month period the employee is given the option of converting their health insurance coverage to an individual policy with Blue Cross and Blue Shield. With the exception of the health insurance, all of the above mentioned benefits are available to any terminating full-time employee.

During fiscal year 1995, the City offered a select group of City employees an early retirement package, which included paid health insurance for the employee until the employee becomes eligible for Medicare. The long term liability, Compensated Absences & Benefits, Long Term includes \$11,853 to account for the maximum amount the City expects to incur.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 17 - Employee Benefits

City employees accumulate sick leave hours for subsequent use. Sick leave hours are not a vested benefit and expire if unused upon termination, death or retirement, with the exception of the Transit System's employees covered by the Amalgamated Transit Union Agreement with the City of Sioux City. These employees receive a benefit of up to 120 days of paid sick leave upon death or retirement. Accumulated sick leave is recorded in Governmental Activities. All other accumulated sick leave is not recognized as an expenditure until used or paid because it is not measurable at June 30, 2004.

Severance pay is paid to all employees of the Professional, Administrative, Technical, Supervisory, Executive and Council Appointed employees group (PATs), with a minimum of 15 years of consecutive service with the City. The pay is based on three day's pay for each full twelve months of consecutive service upon retirement, resignation, death or termination (other than for disciplinary reasons).

Vacation hours are accumulated for subsequent use or for payment upon termination, retirement or death up to a maximum ranging from 120 to 200 hours based upon number of years employed. The current portion of accumulated unpaid vacation pay is recognized as an expenditure in the appropriate fund. The long-term portion for all funds, except proprietary funds, is recorded as a liability in the statement of net assets governmental activities.

Compensated absences have been recorded in the following funds:

	<u>CURRENT</u>	<u>LONG-TERM</u>	<u>SICK LEAVE/ SEVERANCE</u>
General Fund	\$ 478,223	\$ —	\$ —
Special Revenue Funds	102,069	—	—
Capital Improvements	3,976	—	—
Enterprise Funds	240,568	—	—
Internal Service Funds	72,890	—	—
Governmental Funds	<u>1,695,953</u>	<u>265,219</u>	<u>819,350</u>
	<u>\$ 2,593,679</u>	<u>\$ 265,219</u>	<u>\$ 819,350</u>

Note 18- Pension and Retirement

IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM

The City contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the City is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by State statute. The City's contribution to IPERS for the years ended June 30, 2004, 2003 and 2002 were \$1,301,971, \$1,279,062, and \$1,250,578, respectively, equal to the required contributions for each year.

**CITY OF SIOUX CITY, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004**

Note 18-(Continued)

POLICE AND FIRE RETIREMENT SYSTEM

The City contributes to the Municipal Fire & Police Retirement System of Iowa (MFPRSI) which is a cost-sharing multiple-employer defined benefit pension plan administered by a Board of Trustees appointed by the State of Iowa. MFPRSI provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. MFPRSI issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MFPRSI, 2836 104th Street, Urbandale, Iowa 50322.

Plan members are required to contribute 9.35% of earnable compensation. The employers' contribution rate is based upon an actuarially determined normal contribution rate. The normal contribution rate is provided by State statute to be the actuarial liabilities of the plan less current plan assets, the total then being divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions. Legislatively appropriated contributions from the State may further reduce the employers' contribution rate. However, under the Code of Iowa, the employers' contribution rate cannot be less than 17.00 percent of earnable compensation. Contribution requirements are established by State statute. The City's contribution to MFPRSI for the years ended June 30, 2004, 2003 and 2002 were \$2,396,948 (20.48%), \$1,946,042 (17.00%), and \$1,878,724 (17.00%), respectively, equal to the required contributions for each year.

Note 19 - Landfill Closures and Post-closure Care Costs

State and federal laws and regulations require the City's Solid Waste System to place a final cover on its 28th Street landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Solid Waste System reports a portion of these closure and post-closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,031,976 reported as landfill closure and post-closure care liability at June 30, 2004, represents the cumulative amount reported to date based on the use of 89 percent of the estimated capacity of the landfill. The estimate for costs as of June 30, 2004 is \$2,286,500. The Solid Waste System will recognize the remaining estimated cost of closure and post-closure care of \$254,524 as the remaining estimated capacity is filled. The Solid Waste System expects to close the landfill in approximately 5 years. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The State of Iowa specifies financial assurance requirements in Code Section 567-Chapter 11. The Iowa Code enumerates various allowable financial assurance mechanisms to meet the costs of closure and post-closure care. The City satisfies this requirement with a Local Government Dedicated Fund passed and approved on June 16, 2003 under Resolution 2003-000501.

Note 20 - Prior Period Adjustment

In fiscal 2003, a payment in the amount of \$713,456 was expensed and should have been capitalized as a capital asset in the Sewer System Fund. This resulted in an overstatement of expenses and an understatement of the Fund's net assets at June 30, 2003.

In Fiscal 2002, a loan of \$380,000 was made from the Community Development Fund to a local business. The loan was not set up as a Note Receivable until Fiscal 2004. This resulted in an overstatement of expenses and an understatement of the Community Development Fund's net assets at June 30, 2002.

Note 21 - Subsequent Events

On November 8, 2004 the City Council passed resolutions fixing the date for the issuance of \$19,895,000 General Obligation Bonds. The sale date was November 22, 2004.



Sioux City®

REQUIRED SUPPLEMENTARY INFORMATION (unaudited)

In accordance with the Governmental Accounting Standards Board Statements No. 25, No. 27 and No. 34, the following information is a required part of the general purpose financial statements.



Sioux City®

CITY OF SIOUX CITY, IOWA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES BUDGET AND ACTUAL-
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS (1) (2)
FOR THE YEAR ENDED JUNE 30, 2004

	General Fund			Variance Amended Budget Favorable (Unfavorable)
	Budget		Actual	
	Adopted	Amended		
REVENUES				
Taxes	\$ 21,657,214	\$ 21,657,214	\$ 21,821,498	\$ 164,284
Special Assessments	72,000	72,000	53,370	(18,630)
Regulatory Fees	1,145,841	1,145,841	1,237,582	91,741
Intergovernmental Revenue	4,270,348	4,270,348	3,522,211	(748,137)
Revenue from Use of Property	304,364	304,364	219,121	(85,243)
Charges for Service	4,166,231	4,166,231	4,051,625	(114,606)
Interest	1,318,954	1,318,954	519,142	(799,812)
Contributions	111,284	111,284	216,893	105,609
Miscellaneous	156,119	156,119	309,193	153,074
Total Revenues	33,202,355	33,202,355	31,950,635	(1,251,720)
EXPENDITURES				
Public Safety	24,101,637	26,479,978	24,134,093	2,345,885
Public Works	1,554,050	1,546,517	975,957	570,560
Culture and Recreation	6,473,716	8,013,782	6,207,810	1,805,972
Community and Economic Development	2,162,389	3,020,145	2,034,111	986,034
General Government	5,720,258	8,130,339	3,060,670	5,069,669
Total Expenditures	40,012,050	47,190,761	36,412,641	10,778,120
Excess (Deficiency) of Revenues Over Expenditures	(6,809,695)	(13,988,406)	(4,462,006)	9,526,400
OTHER FINANCING SOURCES (USES)				
Transfers In	11,768,490	11,768,490	8,889,928	(2,878,562)
Transfers Out	(4,883,795)	(4,883,795)	(4,380,859)	502,936
Total Other Financing Sources (Uses)	6,884,695	6,884,695	4,509,069	(2,375,626)
Net Change in Fund Balance	\$ 75,000	\$ (7,103,711)	47,063	7,150,774
Fund Balance - Beginning of Year			4,970,578	
Fund Balance - End of Year			\$ 5,017,641	

Notes:

(1) The City's budget is prepared on the modified accrual basis of accounting.

(2) Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

EXHIBIT 9

Special Revenue - Other Employee Benefits				
Budget		Actual	Variance	
Adopted	Amended		Amended Budget	Favorable
			(Unfavorable)	
\$ 9,079,315	\$ 9,079,315	\$ 9,033,650	\$	(45,665)
---	---	---	---	---
---	---	---	---	---
---	---	---	---	---
---	---	---	---	---
---	---	---	---	---
---	---	---	---	---
---	---	5,000	5,000	---
9,079,315	9,079,315	9,038,650		(40,665)
200,662	375,973	787,242		(411,269)
155	155	155		---
58,823	58,823	54,620		4,203
3,209	3,209	3,209		---
10,212	10,212	10,212		---
273,061	448,372	855,438		(407,066)
8,806,254	8,630,943	8,183,212		(447,731)
---	---	---	---	---
(8,705,353)	(8,705,353)	(8,269,065)		436,288
(8,705,353)	(8,705,353)	(8,269,065)		436,288
\$ 100,901	\$ (74,410)	(85,853)	\$	(11,443)
		(75,049)		
		\$ (160,902)		



Sioux City®

**CITY OF SIOUX CITY, IOWA
OTHER SUPPLEMENTARY INFORMATION**

**CITY OF SIOUX CITY, IOWA
COMBINING FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

The following funds included in this fund type and their purposes are as follows:

MAJOR FUNDS:

Other Employee Benefits - To account for the City's employee benefits tax levy.

NON-MAJOR FUNDS:

Emergency Fund - To account for the Emergency Levy.

Storm Water Drainage - To account for the collection of revenues for Storm Water Drainage Fees.

Road Use - To account for State revenues allocated to the City for maintenance and improvement of City streets.

Community Development - To account for the use of Community Development Block Grant Funds as received from the Federal Government.

Housing - To account for the operations of Federal Section 8, low income housing projects and municipally sponsored rent payment assistance programs.

Main Street - To account for the collection of a levy to fund the revitalization of the City's downtown area.

Younkers Self-Improvement District - To account for revenue generated by the self-improvement district.

Local Option Sales Tax - To account for revenue generated by the one percent local option sales tax.

Convention Center/Auditorium - To account for revenue generated by the operations of the Convention Center and the Auditorium.

Transit System - To account for the Transit levy and operations of the City's bus and other transit services.

Permanent Fund - Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

The following fund included in this fund type and its purpose is as follows:

Cemetery Trust - To account for the activity of the perpetual care trust of the City.

**CITY OF SIOUX CITY, IOWA
COMBINING BALANCE SHEET
GOVERNMENTAL NONMAJOR FUNDS
JUNE 30, 2004**

Special Revenue Funds

ASSETS	Emergency Fund	Storm Water Drainage	Road Use	Community Development	Housing
Cash and Cash Equivalents	\$ 570,615	\$ 596,278	\$ 1,548,170	\$ 979,803	\$ 1,016,945
Accounts Receivable	---	55,821	---	---	17,731
Accrued Interest Receivable	---	---	---	79,127	---
Notes Receivable	---	---	---	4,102,402	---
Due from Other Governments	514,351	---	563,344	568,471	8,125
Inventories	---	---	---	---	---
Prepaid Items	---	---	---	13,878	329,816
Total Assets	1,084,966	652,099	2,111,514	5,743,681	1,372,617
LIABILITIES					
Accounts Payable	---	---	197,690	256,192	23,264
Accrued Wages and Compensated Absences	---	---	201,778	35,605	39,484
Contracts & Retainers Payable	---	---	---	169,757	---
Due to Other Governments	---	11,482	---	---	116,725
Due to Other Funds	---	---	---	---	---
Deferred Revenue	505,684	---	---	---	---
Total Liabilities	505,684	11,482	399,468	461,554	179,473
FUND BALANCES					
Reserved for Encumbrances	---	---	132,521	1,165,847	460
Reserved for Endowment	---	---	---	---	---
Reserved for Inventories	---	---	---	---	---
Reserved for Long-Term Notes	---	---	---	4,102,402	---
Reserved for Prepaid Items	---	---	---	13,878	329,816
Unreserved	579,282	640,617	1,579,525	---	862,868
Total Fund Balances (Deficit)	579,282	640,617	1,712,046	5,282,127	1,193,144
Total Liabilities and Fund Balances	\$ 1,084,966	\$ 652,099	\$ 2,111,514	\$ 5,743,681	\$ 1,372,617

Special Revenue Funds					Permanent Fund	Total Governmental Nonmajor Funds
Main Street	Younkers Self-Impr. District	Local Option Sales Tax	Convention Center/ Auditorium	Transit Operations	Cemetery Trust	
\$ 71,266	\$ ---	\$ 1,173,706	\$ 205,625	\$ ---	\$ 724,772	\$ 6,887,180
---	---	---	166,780	9,155	---	249,487
---	---	602	---	---	---	79,729
---	---	124,587	---	---	---	4,226,989
123,757	---	1,363,245	---	905,944	---	4,047,237
---	---	---	130,899	146,123	---	277,022
---	---	---	---	---	---	343,694
<u>195,023</u>	<u>---</u>	<u>2,662,140</u>	<u>503,304</u>	<u>1,061,222</u>	<u>724,772</u>	<u>16,111,338</u>
---	---	---	1,818,912	30,342	---	2,326,400
---	---	---	125,667	99,426	---	501,960
---	---	---	---	21,001	---	190,758
---	---	---	2,299	---	---	130,506
---	1,587	---	4,369	804,101	---	810,057
<u>120,518</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>626,202</u>
120,518	1,587	---	1,951,247	954,870	---	4,585,883
---	---	---	---	---	---	1,298,828
---	---	---	---	---	724,772	724,772
---	---	---	---	106,352	---	106,352
---	---	66,961	---	---	---	4,169,363
---	---	---	---	---	---	343,694
<u>74,505</u>	<u>(1,587)</u>	<u>2,595,179</u>	<u>(1,447,943)</u>	<u>---</u>	<u>---</u>	<u>4,882,446</u>
<u>74,505</u>	<u>(1,587)</u>	<u>2,662,140</u>	<u>(1,447,943)</u>	<u>106,352</u>	<u>724,772</u>	<u>11,525,455</u>
<u>\$ 195,023</u>	<u>\$ ---</u>	<u>\$ 2,662,140</u>	<u>\$ 503,304</u>	<u>\$ 1,061,222</u>	<u>\$ 724,772</u>	<u>\$ 16,111,338</u>

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

Special Revenue Funds				
REVENUES	Emergency Fund	Storm Water Drainage	Road Use	Community Development
Taxes	\$ 501,653	\$ ---	\$ ---	\$ ---
Special Assessments	---	30,790	---	---
Intergovernmental Revenue	---	---	7,124,029	3,806,409
Revenue from Use of Property	---	---	---	---
Charges for Services	---	1,119,178	944	---
Interest	---	11,160	---	85,281
Miscellaneous	---	---	41,828	37,890
Total Revenue	501,653	1,161,128	7,166,801	3,929,580
EXPENDITURES				
Current:				
Public Works	---	61,397	7,082,343	---
Culture and Recreation	---	---	---	---
Community and Economic Development	---	---	---	3,208,212
General Government	---	471	---	---
Total Expenditures	---	61,868	7,082,343	3,208,212
Excess (Deficiency) of Revenues Over Expenditures	501,653	1,099,260	84,458	721,368
OTHER FINANCING SOURCES (USES)				
Transfers In	---	---	---	---
Transfers Out	(498,520)	(897,996)	(40,500)	(40,656)
Total Other Financing Sources (Uses)	(498,520)	(897,996)	(40,500)	(40,656)
Net Change in Fund Balance	3,133	201,264	43,958	680,712
Fund Balance (Deficit) - Beg. of Year Before Prior Per. Adj.	576,149	439,353	1,668,088	4,221,415
Prior Period Adjustment	---	---	---	380,000
Fund Balance (Deficit) - Beg. of Year After Prior Per. Adj.	576,149	439,353	1,668,088	4,601,415
Fund Balance (Deficit) - End of Year	<u>\$ 579,282</u>	<u>\$ 640,617</u>	<u>\$ 1,712,046</u>	<u>\$ 5,282,127</u>

Permanent Fund							Total Governmental Nonmajor Funds
Housing	Main Street	Younkers Self-Impr. District	Local Option Sales Tax	Convention Center/ Auditorium	Transit Operations	Cemetery Trust	
\$ ---	\$ 157,379	\$ ---	\$ 8,854,807	\$ ---	\$ ---	\$ ---	\$ 9,513,839
---	---	---	---	---	---	---	30,790
5,000,845	---	---	---	---	1,162,772	---	17,094,055
---	---	---	---	2,899,787	39,992	64,377	3,004,156
---	---	---	---	734,450	605,780	---	2,460,352
---	---	---	7,360	5,232	---	---	109,033
53,279	---	---	---	557,404	27,811	---	718,212
5,054,124	157,379	---	8,862,167	4,196,873	1,836,355	64,377	32,930,437
---	---	---	---	---	2,798,917	---	9,942,657
---	---	---	---	5,947,761	---	---	5,947,761
5,182,051	227,000	---	---	---	---	---	8,617,263
---	---	---	---	---	---	---	471
5,182,051	227,000	---	---	5,947,761	2,798,917	---	24,508,152
(127,927)	(69,621)	---	8,862,167	(1,750,888)	(962,562)	64,377	8,422,285
---	81,436	---	---	1,191,896	978,956	---	2,252,288
---	---	---	(8,264,648)	(96,000)	(60,401)	---	(9,898,721)
---	81,436	---	(8,264,648)	1,095,896	918,555	---	(7,646,433)
(127,927)	11,815	---	597,519	(654,992)	(44,007)	64,377	775,852
1,321,071	62,690	(1,587)	2,064,621	(792,951)	150,359	660,395	10,369,603
---	---	---	---	---	---	---	380,000
1,321,071	62,690	(1,587)	2,064,621	(792,951)	150,359	660,395	10,749,603
\$ 1,193,144	\$ 74,505	\$ (1,587)	\$ 2,662,140	\$ (1,447,943)	\$ 106,352	\$ 724,772	\$ 11,525,455



Sioux City®

**CITY OF SIOUX CITY, IOWA
COMBINING FINANCIAL STATEMENTS
ENTERPRISE FUNDS**

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The following funds included in this fund type and their purposes are as follows:

MAJOR FUNDS:

Airport System - To account for the operations of the Sioux Gateway Airport.

Water System - To account for the operations of the City's water facilities and services.

Sewer System - To account for the operations of the City's sewage treatment facilities and services.

Solid Waste System - To account for the operations of the City's sanitary landfill facilities.

NON-MAJOR FUNDS:

Parking Facilities - To account for the operations of the City-owned parking ramps and other parking facilities.

Revolving Credit - To account for contractual agreements between the City and other individuals.

Skyway System - To account for the maintenance and security of the skyway system.

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2004

EXHIBIT B-1

ASSETS	Parking Facilities	Skyway System	Totals
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	\$ 1,057,455	\$ ---	\$ 1,057,455
Accounts Receivable	163,584	105,438	269,022
Accrued Interest Receivable	1,823	---	1,823
Due from Other Funds	---	6,334	6,334
Total Current Assets	1,222,862	111,772	1,334,634
<u>NONCURRENT ASSETS</u>			
Fixed Assets, Net of accumulated depreciation	3,569,115	---	3,569,115
Total Assets	4,791,977	111,772	4,903,749
<u>LIABILITIES AND FUND EQUITY</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	31,981	9,101	41,082
Accrued Wages and Compensated Absences	55,634	9,654	65,288
Accrued Interest Payable	3,613	---	3,613
Contracts and Retainers Payable	675	---	675
Due to Other Funds	877	93,017	93,894
Current Portion of G.O. Bonds	156,975	---	156,975
Matured Bonds and Coupons Payable	7,613	---	7,613
Total Current Liabilities	257,368	111,772	369,140
<u>NONCURRENT LIABILITIES</u>			
General Obligation Bonds, Net of Current Portion	798,211	---	798,211
Total Noncurrent Liabilities	798,211	---	798,211
Total Liabilities	1,055,579	111,772	1,167,351
<u>NET ASSETS</u>			
Investment in Capital Assets, Net of Related Debt	2,613,929	---	2,613,929
Unrestricted	1,122,469	---	1,122,469
Total Net Assets	\$ 3,736,398	\$ ---	\$ 3,736,398

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Parking Facilities	Skyway System	Totals
<u>OPERATING REVENUES</u>			
Revenue from Use of Property	\$ ---	\$ 13,693	\$ 13,693
Charges for Services	1,176,276	329,737	1,506,013
Total Operating Revenues	1,176,276	343,430	1,519,706
<u>OPERATING EXPENSES</u>			
Employee Services	461,021	39,662	500,683
Supplies and Services	528,321	161,953	690,274
Repairs and Improvements	97,862	94,393	192,255
Utilities	6,432	47,422	53,854
Depreciation	129,949	---	129,949
Total Operating Expenses	1,223,585	343,430	1,567,015
Operating Income (Loss)	(47,309)	---	(47,309)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	10,398	---	10,398
Revenue from Use of Property	1,777	---	1,777
Other Non-Operating Revenues	10,749	---	10,749
Interest Expense	(48,803)	---	(48,803)
Total Non-Operating Revenues (Expenses)	(25,879)	---	(25,879)
Loss before Contributions and Transfers	(73,188)	---	(73,188)
Changes in Net Assets	(73,188)	---	(73,188)
Net Assets - Beginning of Year	3,809,586	---	3,809,586
Net Assets - End of Year	\$ 3,736,398	\$ ---	\$ 3,736,398

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT B-3

	Parking Facilities	Skyway System	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 1,208,789	\$ 329,904	\$ 1,538,693
Cash Paid for Personal Services	(454,133)	(33,096)	(487,229)
Cash Paid to Suppliers	(633,153)	(296,808)	(929,961)
Net Cash Provided by Operating Activities	121,503	---	121,503
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal Paid on Notes and Bonds	(158,564)	---	(158,564)
Interest Paid on Notes and Bonds	(49,298)	---	(49,298)
Net Cash Used for Capital and Related Financing Activities	(207,862)	---	(207,862)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and Dividends on Investments	10,546	---	10,546
Net Cash Provided By Investing Activities	10,546	---	10,546
Net Decrease in Cash and Cash Equivalents	(75,813)	---	(75,813)
Cash and Cash Equivalents at Beginning of Year	1,133,268	---	1,133,268
Cash and Cash Equivalents at End of Year	<u>\$ 1,057,455</u>	<u>\$ ---</u>	<u>\$ 1,057,455</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ (47,309)	\$ -	\$ (47,309)
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</i>			
Depreciation	129,949	---	129,949
Miscellaneous Non-Operating Income	12,526	---	12,526
<i>(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:</i>			
Accounts Receivable	19,987	(13,526)	6,461
Due from Other Funds	---	(1,482)	(1,482)
Accounts Payable	(1,158)	3,417	2,259
Accrued Wages and Compensated Absences	6,888	6,566	13,454
Contracts and Retainers Payable	675	---	675
Due to Other Funds	(55)	5,025	4,970
Total Adjustments	168,812	---	168,812
Net Cash Provided by Operating Activities	<u>\$ 121,503</u>	<u>\$ ---</u>	<u>\$ 121,503</u>

**CITY OF SIOUX CITY, IOWA
COMBINING FINANCIAL STATEMENTS
INTERNAL SERVICE FUNDS**

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

The following funds included in this fund type and their purposes are as follows:

Central Maintenance Garage - To account for maintenance and repair services for the City's automotive equipment and acquisition of replacement vehicles.

Comprehensive Insurance - To account for the funding and maintenance of the City's insurance policies provided to user departments.

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2004

	<u>Central Maintenance Garage</u>	<u>Comprehensive Insurance</u>	<u>Totals</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	\$ 2,623,897	\$ 3,671,144	\$ 6,295,041
Accounts Receivable	40,024	1,303	41,327
Accrued Interest Receivable	---	5,229	5,229
Inventories, at Cost	159,637	---	159,637
Total Current Assets	2,823,558	3,677,676	6,501,234
<u>NONCURRENT ASSETS</u>			
Fixed Assets, Net of Accumulated Depreciation	10,001,130	---	10,001,130
Total Assets	12,824,688	3,677,676	16,502,364
<u>LIABILITIES</u>			
Accounts Payable	433,101	88,263	521,364
Accrued Wages and Compensated Absences	125,112	90,571	215,683
Due to Other Funds	66,714	---	66,714
Estimated Liability for Damage Claims	---	3,719,166	3,719,166
Total Liabilities	624,927	3,898,000	4,522,927
<u>NET ASSETS</u>			
Investment in Capital Assets	10,001,130	---	10,001,130
Unrestricted	2,198,631	(220,324)	1,978,307
Total Net Assets	<u>\$ 12,199,761</u>	<u>\$ (220,324)</u>	<u>\$ 11,979,437</u>

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF REVENUES AND
EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Central Maintenance Garage	Comprehensive Insurance	Totals
<u>OPERATING REVENUE</u>			
Charges for Services	\$ 4,874,703	\$ 11,099,906	\$ 15,974,609
<u>OPERATING EXPENSES</u>			
Employee Services	1,159,822	7,428,990	8,588,812
Supplies and Services	53,525	589,312	642,837
Repairs and Improvements	1,722,796	15,193	1,737,989
Utilities	26,729	2,215	28,944
Depreciation	2,004,211	---	2,004,211
Damage Settlement	---	449,627	449,627
Total Operating Expenses	4,967,083	8,485,337	13,452,420
Net Operating Income (Loss)	(92,380)	2,614,569	2,522,189
<u>NON-OPERATING REVENUES</u>			
Interest Income	---	5,229	5,229
Revenue from Use of Property	82,733	125	82,858
Other Non-Operating Revenues	261,603	---	261,603
Total Non-Operating Revenues	344,336	5,354	349,690
Income before Contributions and Transfers	251,956	2,619,923	2,871,879
Transfers In	1,066,105	5,000	1,071,105
Transfers Out	(104,950)	---	(104,950)
Changes in Net Assets	1,213,111	2,624,923	3,838,034
Net Assets - Beginning of Year	10,986,650	(2,845,247)	8,141,403
Net Assets - End of Year	\$ 12,199,761	\$ (220,324)	\$ 11,979,437

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Central Maintenance Garage	Comprehensive Insurance	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash Received from Customers	\$ 4,939,041	\$ 11,109,780	\$ 16,048,821
Cash Paid for Personal Services	(1,145,501)	(7,422,803)	(8,568,304)
Cash Paid to Suppliers	(1,439,887)	(2,310,769)	(3,750,656)
Net Cash Provided by Operating Activities	2,353,653	1,376,208	3,729,861
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition and Construction of Capital Assets	(3,048,143)	---	(3,048,143)
Proceeds from Sale of Assets	261,603	---	261,603
Net Cash Used for Capital and Related Financing Activities	(2,786,540)	---	(2,786,540)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Transfers In	1,066,105	5,000	1,071,105
Transfers Out	(104,950)	---	(104,950)
Net Cash Provided by Non-Capital Financing Activities	961,155	5,000	966,155
Net Increase in Cash and Cash Equivalents	528,268	1,381,208	1,909,476
Cash and Cash Equivalents at Beginning of Year	2,095,629	2,289,936	4,385,565
Cash and Cash Equivalents at End of Year	<u>\$ 2,623,897</u>	<u>\$ 3,671,144</u>	<u>\$ 6,295,041</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>			
<u>PROVIDED BY OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ (92,380)	\$ 2,614,569	\$ 2,522,189
<i>Adjustments to Reconcile Operating Income (Loss)</i>			
<i>to Net Cash Provided by (Used for) Operating Activities:</i>			
Depreciation	2,004,211	---	2,004,211
Miscellaneous Non-Operating Income	82,733	125	82,858
(Increase) Decrease in Assets and			
Increase (Decrease) in Liabilities:			
Accounts Receivable	(18,395)	9,749	(8,646)
Due from Other Funds	---	---	---
Inventories	(3,889)	---	(3,889)
Accounts Payable	347,979	(14,314)	333,665
Accrued Wages and Compensated Absences	14,321	6,187	20,508
Due to Other Funds	19,073	---	19,073
Estimated Liability for Damage Claims	---	(1,240,108)	(1,240,108)
Total Adjustments	2,446,033	(1,238,361)	1,207,672
Net Cash Provided by Operating Activities	<u>\$ 2,353,653</u>	<u>\$ 1,376,208</u>	<u>\$ 3,729,861</u>

**CITY OF SIOUX CITY, IOWA
COMBINING AND INDIVIDUAL FUND STATEMENTS
FIDUCIARY FUNDS**

Agency Funds - Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The following represents the funds and/or government agencies for which the City acts in an agent capacity.

Siouxland Interstate Metropolitan Planning Council (SIMPCO) - To account for the activity of SIMPCO.

Revolving - To account for refunds to City customers.

Woodbury County Information Communication Commission - To account for the activity of the WCICC.

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2004

**Siouxland
Interstate
Metropolitan
Planning Council
(SIMPCO)**

ASSETS

Cash and Cash Equivalents	\$	76,261
Accounts Receivable		---
		<hr/>
Total Assets		76,261

LIABILITIES

Accounts Payable		---
Due to Other Governments		76,261
		<hr/>
Total Liabilities		76,261

NET ASSETS

Unrestricted		---
		<hr/>
Total Net Assets	\$	<hr/> <hr/>

<u>Revolving</u>	<u>Woodbury County Information Communication Commission</u>	<u>Totals</u>
\$ 266,760	\$ 66,486	\$ 409,507
<u>23,328</u>	<u>26,382</u>	<u>49,710</u>
290,088	92,868	459,217
290,088	---	290,088
<u>---</u>	<u>92,868</u>	<u>169,129</u>
290,088	92,868	459,217
<u>---</u>	<u>---</u>	<u>---</u>
<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

**SIOUXLAND INTERSTATE
METROPOLITAN PLANNING COUNCIL
(SIMPCO)**

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 120,736	\$ 2,892,743	\$ 2,937,218	\$ 76,261
Total Assets	<u>120,736</u>	<u>2,892,743</u>	<u>2,937,218</u>	<u>76,261</u>
<u>LIABILITIES</u>				
Due to Other Governments	<u>120,736</u>	<u>2,892,743</u>	<u>2,937,218</u>	<u>76,261</u>
Total Liabilities	<u>\$ 120,736</u>	<u>\$ 2,892,743</u>	<u>\$ 2,937,218</u>	<u>\$ 76,261</u>

REVOLVING

<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 229,760	\$ 1,234,209	\$ 1,197,209	\$ 266,760
Accounts Receivable	<u>45,113</u>	<u>699,551</u>	<u>721,336</u>	<u>23,328</u>
Total Assets	<u>274,873</u>	<u>1,933,760</u>	<u>1,918,545</u>	<u>290,088</u>
<u>LIABILITIES</u>				
Accounts Payable	<u>274,873</u>	<u>1,933,760</u>	<u>1,918,545</u>	<u>290,088</u>
Total Liabilities	<u>\$ 274,873</u>	<u>\$ 1,933,760</u>	<u>\$ 1,918,545</u>	<u>\$ 290,088</u>

**WOODBURY COUNTY INFORMATION
COMMUNICATION COMMISSION (WCICC)**

<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 137,275	\$ 3,131,890	\$ 3,202,679	\$ 66,486
Accounts Receivable	<u>9,580</u>	<u>620,990</u>	<u>604,188</u>	<u>26,382</u>
Total Assets	<u>146,855</u>	<u>3,752,880</u>	<u>3,806,867</u>	<u>92,868</u>
<u>LIABILITIES</u>				
Due to Other Governments	<u>146,855</u>	<u>3,752,880</u>	<u>3,806,867</u>	<u>92,868</u>
Total Liabilities	<u>\$ 146,855</u>	<u>\$ 3,752,880</u>	<u>\$ 3,806,867</u>	<u>\$ 92,868</u>

CITY OF SIOUX CITY, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

TOTAL - ALL AGENCY FUNDS	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 487,771	\$ 7,258,842	\$ 7,337,106	\$ 409,507
Accounts Receivable	54,693	1,320,541	1,325,524	49,710
Total Assets	<u>542,464</u>	<u>8,579,383</u>	<u>8,662,630</u>	<u>459,217</u>
<u>LIABILITIES</u>				
Accounts Payable	274,873	1,933,760	1,918,545	290,088
Due to Other Governments	267,591	6,645,623	6,744,085	169,129
Total Liabilities	<u>\$ 542,464</u>	<u>\$ 8,579,383</u>	<u>\$ 8,662,630</u>	<u>\$ 459,217</u>



Sioux City®

**CITY OF SIOUX CITY, IOWA
STATISTICAL SECTION**

**CITY OF SIOUX CITY, IOWA
STATISTICAL INFORMATION SECTION**

Statistical Information Section - The financial information contained in the statistical tables I through XX is based on the City of Sioux City's cash basis financial records, unless indicated otherwise.

**CITY OF SIOUX CITY, IOWA
EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS (2)**

FISCAL YEAR	PUBLIC SAFETY	PUBLIC WORKS	CULTURE AND RECREATION	COMMUNITY AND ECONOMIC DEVELOPMENT
1995	\$ 17,196,800	\$ 6,585,600	\$ 7,949,254	\$ 7,661,906
1996	17,288,469	7,656,407	8,557,860	7,681,464
1997	18,645,075	8,008,865	8,676,845	9,276,884
1998	19,031,688	8,530,254	9,605,600	9,489,888
1999	18,897,151	9,102,460	9,307,720	8,113,276
2000	21,010,564	9,652,211	9,988,524	8,433,139
2001	21,482,846	10,346,988	9,970,792	8,802,835
2002	23,807,661	10,041,596	10,411,620	10,920,382
2003	24,262,437	11,004,008	11,132,692	11,011,474
2004	\$ 24,921,335	\$ 10,918,769	\$ 12,210,191	\$ 10,654,583

NOTES:

(1) Includes General, Special Revenue and Debt Service Funds.

(2) GAAP Basis.

TABLE I

GENERAL GOVERNMENT	DEBT SERVICE	TOTAL
\$ 5,248,599	\$ 12,455,406	\$ 57,097,565
2,789,797	14,640,919	58,614,916
3,298,371	14,806,478	62,712,518
3,380,388	18,278,032	68,315,850
3,288,130	14,060,780	62,769,517
3,281,018	13,792,722	66,158,178
3,596,993	20,826,196	75,026,650
3,690,434	19,769,477	78,641,170
3,073,574	20,813,828	81,298,013
\$ 3,071,353	\$ 19,544,146	\$ 81,320,377

**CITY OF SIOUX CITY, IOWA
EXPENDITURES BY PROGRAM (1)
LAST TEN FISCAL YEARS (2)**

FISCAL YEAR	PUBLIC SAFETY	PUBLIC WORKS	CULTURE AND RECREATION	COMMUNITY AND ECONOMIC DEVELOPMENT	GENERAL GOVERNMENT
1995	\$ 17,196,800	\$ 6,585,600	\$ 7,949,254	\$ 7,661,906	\$ 5,248,599
1996	17,288,469	7,656,407	8,557,860	7,681,464	2,789,797
1997	18,645,075	8,008,865	8,676,845	9,276,884	3,298,371
1998	19,031,688	8,530,254	9,605,600	9,489,888	3,380,388
1999	18,897,151	9,102,460	9,307,720	8,113,276	3,288,130
2000	21,010,564	9,652,211	9,988,524	8,433,139	3,281,018
2001	21,482,846	10,346,988	9,970,792	8,802,835	3,596,993
2002	23,807,661	10,041,596	10,411,620	10,920,382	3,690,434
2003	24,262,437	11,004,008	11,132,692	11,011,474	3,073,574
2004	\$ 24,921,335	\$ 10,918,769	\$ 12,210,191	\$ 10,654,583	\$ 3,071,353

NOTES:

(1) Includes all fund types with the exception of proprietary funds.

(2) GAAP Basis.

TABLE II

DEBT SERVICE	CAPITAL PROJECTS	TOTAL
\$ 12,455,406	\$ 25,472,399	\$ 82,569,964
14,640,919	15,828,090	74,443,006
14,806,478	17,713,386	80,425,904
18,278,032	16,303,803	84,619,653
14,060,780	14,957,113	77,726,630
13,792,722	15,140,517	81,298,695
20,826,196	17,417,408	92,444,058
19,769,477	31,375,569	110,016,739
20,813,828	46,244,027	127,542,040
\$ 19,544,146	\$ 45,529,590	\$ 126,849,967

**CITY OF SIOUX CITY, IOWA
GENERAL GOVERNMENTAL REVENUE BY SOURCE (1)(2)
LAST TEN FISCAL YEARS**

FISCAL YEAR	TAXES	SPECIAL ASSESSMENTS	REGULATORY FEES	INTER- GOVERNMENTAL REVENUE	REVENUE FROM USE OF PROPERTY
1995	\$ 34,684,489	\$ 511,676	\$ 929,091	\$ 14,114,466	\$ 3,204,914
1996	36,224,206	654,216	1,048,466	14,886,935	4,387,525
1997	38,710,090	702,603	889,917	16,154,984	2,979,266
1998	40,116,010	690,824	911,767	15,643,006	3,612,209
1999	44,150,929	683,547	999,525	17,367,255	3,432,730
2000	44,448,618	683,722	999,535	18,174,909	3,472,227
2001	46,257,444	466,685	1,032,075	18,471,532	3,515,374
2002	46,560,104	502,280	1,061,288	21,983,241	3,292,486
2003	51,706,623	440,633	1,250,375	21,021,429	2,749,841
2004	\$ 52,998,921	\$ 226,404	\$ 1,237,582	\$ 20,616,266	\$ 3,158,900

NOTES:

(1) Includes General, Special Revenue and Debt Service Funds.

(2) GAAP Basis.

TABLE III

CHARGES FOR SERVICES	INTEREST	CONTRIBUTIONS	MISCELLANEOUS REVENUE	TOTAL
\$ 4,878,587	\$ 1,551,442	\$ 165,321	\$ 376,025	\$ 60,416,011
4,150,797	1,276,687	135,090	380,247	63,144,169
5,034,172	1,181,530	390,536	317,227	66,360,325
5,576,694	1,327,476	186,340	524,141	68,588,467
6,115,419	1,993,998	159,303	580,256	75,482,962
6,311,714	2,049,498	159,303	837,398	77,136,924
6,206,583	2,637,526	139,435	774,579	79,501,233
6,453,870	1,379,926	261,751	2,067,805	83,562,751
6,279,171	1,090,264	146,528	1,307,268	85,992,132
\$ 6,511,977	\$ 755,440	\$ 216,893	\$ 1,983,455	\$ 87,705,838

**CITY OF SIOUX CITY, IOWA
REVENUES BY SOURCE (1)(2)
LAST TEN FISCAL YEARS**

FISCAL YEAR	TAXES	SPECIAL ASSESSMENTS	REGULATORY FEES	INTER- GOVERNMENTAL REVENUE	REVENUE FROM USE OF PROPERTY
1995	\$ 34,684,489	\$ 516,676	\$ 929,091	\$ 15,860,341	\$ 4,456,479
1996	36,224,206	717,738	1,048,466	16,960,177	5,108,613
1997	38,710,090	702,603	889,917	19,526,634	3,457,904
1998	40,116,010	690,824	911,767	18,268,786	3,637,438
1999	44,150,929	683,547	999,525	21,578,671	3,455,172
2000	44,448,618	683,722	999,535	22,386,325	3,494,669
2001	46,257,444	466,685	1,032,075	21,152,816	3,536,082
2002	46,560,104	502,280	1,061,288	32,475,237	3,629,669
2003	51,706,623	440,633	1,250,875	36,642,152	3,041,082
2004	\$ 52,998,921	\$ 226,404	\$ 1,237,582	\$ 36,359,020	\$ 3,482,104

NOTES:

(1) Includes all funds except for proprietary funds.

(2) GAAP Basis.

TABLE IV

CHARGES FOR SERVICES	INTEREST	CONTRIBUTIONS	MISCELLANEOUS REVENUE	TOTAL
\$ 4,908,244	\$ 1,679,526	\$ 286,448	\$ 777,266	\$ 64,098,560
4,162,049	1,363,014	554,096	670,453	66,808,812
5,044,381	1,293,835	565,441	508,911	70,699,716
5,586,633	1,350,905	259,120	1,044,389	71,865,872
6,122,484	2,027,005	357,171	1,203,828	80,578,332
6,318,779	2,082,505	357,171	1,987,970	82,759,294
6,206,583	2,650,589	211,687	1,400,309	82,914,270
6,453,870	1,385,238	503,475	2,745,846	95,317,007
6,279,171	1,093,276	195,575	1,929,838	102,579,225
\$ 6,511,977	\$ 763,379	\$ 267,001	\$ 2,633,441	\$ 104,479,829

**CITY OF SIOUX CITY, IOWA
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

TABLE V

FISCAL YEAR	TOTAL TAXES	GENERAL PROPERTY TAXES	LOCAL OPTION SALES TAXES	BANK FRANCHISE TAXES	UTILITY FRANCHISE TAXES	CABLE TV FRANCHISE TAX	HOTEL- MOTEL TAXES
1995	\$ 34,904,928	\$ 25,059,750	\$ 7,449,145	\$ 81,166	\$ 1,354,829	\$ 227,279	\$ 732,759
1996	35,911,806	26,216,569	7,055,143	116,414	1,411,226	247,885	864,569
1997	38,022,315	26,551,094	8,743,189	87,125	1,582,980	273,537	784,390
1998	40,979,944	28,695,014	9,455,867	140,908	1,573,530	303,854	810,771
1999	42,917,259	31,674,675	8,377,968	129,135	1,537,733	322,879	874,869
2000	44,245,473	32,629,478	8,725,415	135,784	1,569,485	337,886	847,425
2001	46,438,917	34,321,188	8,701,410	131,732	2,174,699	348,365	761,523
2002	46,769,931	35,616,651	8,254,737	117,997	1,609,194	355,693	815,659
2003	51,574,320	39,842,558	8,484,774	109,028	2,101,499	343,070	693,391
2004	\$ 52,945,852	\$ 41,062,196	\$ 8,881,668	\$ 118,143	\$ 1,751,309	\$ 351,497	\$ 781,039

TABLE VI

**CITY OF SIOUX CITY, IOWA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (1)(2)**

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECT- ION	TOTAL TAX COLLECT- IONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUT- STANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
1995	\$ 21,488,336	\$ 20,760,961	96.62%	\$ 357,765	\$ 21,118,726	98.28%	\$ 382,041	1.78%
1996	21,802,986	21,192,488	97.20%	423,673	21,616,161	99.14%	207,482	0.95%
1997	22,062,986	21,115,705	95.71%	437,962	21,553,667	97.69%	87,860	0.40%
1998	22,337,926	22,046,716	98.70%	243,786	22,290,502	99.79%	120,027	0.54%
1999	22,740,220	22,603,463	99.40%	370,474	22,973,937	101.03%	155,288	0.68%
2000	23,375,102	22,732,052	97.25%	340,034	23,072,086	98.70%	144,037	0.62%
2001	24,695,282	24,574,878	99.51%	487,805	25,062,683	101.49%	116,041	0.47%
2002	26,152,122	25,610,836	97.93%	276,290	25,887,126	98.99%	174,888	0.67%
2003	29,270,945	28,709,279	98.08%	429,160	29,138,439	99.55%	296,988	1.01%
2004	\$ 31,031,623	\$ 30,344,967	97.79%	\$ 537,989	\$ 30,882,956	99.52%	\$ 218,009	0.70%

NOTES:

(1) GAAP Basis.

(2) Tax Increment Levy and SID tax Levy not included.

SOURCE:

Woodbury County Treasurer, Woodbury County, Iowa

CITY OF SIOUX CITY, IOWA
ASSESSED AND TAXABLE VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		UTILITIES	
	ASSESSED VALUE	TAXABLE VALUE	ASSESSED VALUE	TAXABLE VALUE
1995	\$ 1,788,819,167	\$ 1,297,608,039	\$ 125,949,013	\$ 115,778,354
1996	1,827,262,804	1,284,196,434	162,179,843	157,653,403
1997	2,069,995,239	1,298,556,966	142,265,286	142,111,832
1998	2,101,642,553	1,288,205,113	149,439,667	160,325,927
1999	2,505,460,937	1,410,790,886	188,005,845	188,002,439
2000	2,545,441,168	1,498,668,502	168,584,134	168,584,144
2001	2,666,055,791	1,571,433,991	130,130,042	130,130,042
2002	2,757,749,024	1,660,580,572	130,515,881	130,515,881
2003	2,944,880,846	1,665,576,989	129,163,982	129,163,982
2004	\$ 2,978,740,856	\$ 1,739,587,340	\$ 131,714,015	\$ 131,714,015

NOTES:

(1) Taxable Value does not include the Tax Increment Levy.

TABLE VII

TOTAL		TOTAL TAXABLE VALUE TO TOTAL ASSESSED VALUE
ASSESSED VALUE	TAXABLE VALUE	
\$ 1,914,768,180	\$ 1,413,386,393	74%
1,989,442,647	1,441,849,837	72%
2,212,260,525	1,440,668,798	65%
2,251,082,220	1,448,531,040	64%
2,693,466,782	1,598,793,325	59%
2,714,025,302	1,667,252,646	61%
2,796,185,833	1,701,564,033	61%
2,888,264,905	1,791,096,453	62%
3,074,044,828	1,794,740,971	58%
\$ 3,110,454,871	\$ 1,871,301,355	60%

TABLE VIII

**CITY OF SIOUX CITY, IOWA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS
TAX RATES**

FISCAL YEAR	CITY	SCHOOL DISTRICT	COUNTY	WESTERN IOWA TECH	CITY ASSESSOR	AG EXTENSION	SPECIAL STATE	TOTAL
1995	15.10757	16.32694	7.36206	0.57017	0.32258	0.06800	0.005	39.76232
1996	15.02389	16.73017	6.86079	0.53795	0.30328	0.06610	0.005	39.52718
1997	14.97059	14.60141	6.82155	0.53266	0.29212	0.06620	0.005	37.28953
1998	15.30439	15.21554	6.64317	0.60796	0.41087	0.06487	0.005	38.25180
1999	13.98384	14.99384	6.11533	0.59515	0.46362	0.05982	0.005	36.21660
2000	13.94690	13.64809	6.27007	0.55951	0.52601	0.05807	0.005	35.01365
2001	14.40724	14.69557	6.31704	0.60985	0.53943	0.05698	0.005	36.63111
2002	14.40683	14.43527	6.86754	0.62121	0.45003	0.05432	0.005	36.84020
2003	16.00121	15.77004	6.82037	0.94432	0.62006	0.05407	0.004	40.21407
2004	16.43302	16.15094	7.10894	0.54141	0.58235	0.05262	0.004	40.87328

TABLE IX

**CITY OF SIOUX CITY, IOWA
PROPERTY TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
TAX LEVIES**

FISCAL YEAR	CITY	SCHOOL DISTRICT	COUNTY	WESTERN IOWA TECH	CITY ASSESSOR	AG EXTENSION	SPECIAL STATE	TOTAL
1995	\$ 21,352,834	\$ 23,076,275	\$ 10,405,435	\$ 805,871	\$ 455,930	\$ 96,110	\$ 7,067	\$ 56,199,522
1996	21,662,193	24,122,393	9,892,229	775,643	437,284	95,306	7,209	56,992,257
1997	21,567,662	21,035,796	9,827,593	767,387	420,848	95,372	7,203	53,721,861
1998	22,168,884	22,040,182	9,622,838	880,649	595,158	93,966	7,243	55,408,920
1999	22,357,270	23,972,051	9,777,149	951,522	741,233	95,640	7,994	57,902,859
2000	23,253,006	22,754,814	10,453,791	932,845	876,992	96,817	8,336	58,376,601
2001	24,514,841	25,005,453	10,748,848	1,037,699	917,875	96,955	8,508	62,330,179
2002	25,804,022	25,854,961	12,300,427	1,112,647	806,047	97,292	8,955	65,984,351
2003	28,718,027	28,303,137	12,240,797	1,694,810	1,112,847	97,042	7,179	72,173,839
2004	\$ 30,751,133	\$ 30,223,276	\$ 13,302,969	\$ 1,013,141	\$ 1,089,752	\$ 98,468	\$ 7,485	\$ 76,486,224

TABLE X

**CITY OF SIOUX CITY, IOWA
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS(1)**

FISCAL YEAR	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	PERCENT OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING CURRENT & DELINQUENT ASSESSMENTS
1995	\$ 155,894	\$ 516,676	331%	\$ 1,593,085
1996	159,309	717,738	451%	2,279,341
1997	227,934	702,603	308%	2,831,026
1998	283,103	690,825	244%	1,840,713
1999	184,071	739,395	402%	1,751,943
2000	175,194	679,774	388%	2,021,362
2001	202,136	473,744	234%	1,680,378
2002	168,038	505,822	301%	1,934,712
2003	193,471	442,040	228%	1,821,654
2004	\$ 182,165	\$ 283,281	156%	\$ 1,152,335

NOTE:

(1) GAAP basis.

SOURCE:

Woodbury County Treasurer, Woodbury County, Iowa

TABLE XI

**CITY OF SIOUX CITY, IOWA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2004**

NAME OF GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE TO THIS GOVERNMENTAL UNIT	AMOUNT APPLICABLE TO CITY OF SIOUX CITY
Direct:			
City of Sioux City	\$ 84,118,406	100.00%	\$ 84,118,406
Overlapping:			
Woodbury County	2,172,760	70.02%	1,521,367
Sioux City Community School District	8,620,341	98.82%	8,518,621
Western Iowa Technical College	4,145,000	37.70%	1,562,665
Lawton-Bronson School District	1,999,245	8.61%	172,135
Sergeant Bluff Comm School District	<u>8,535,000</u>	24.81%	<u>2,117,534</u>
Total Overlapping	25,472,346		13,892,321
 TOTAL	 <u>\$ 109,590,752</u>		 <u>\$ 98,010,727</u>

NOTE:

- (1) Excluding General Obligation bonds reported in the Enterprise Funds and Notes Payable.

**CITY OF SIOUX CITY, IOWA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2004
ASSESSED VALUATIONS AS OF JANUARY 1, 2002**

ASSESSED VALUE

Real and Personal Property Within the City	<u>\$ 3,110,454,871</u>
TOTAL ESTIMATED VALUATION	<u><u>3,110,454,871</u></u>
DEBT LIMIT - 5% OF ESTIMATED VALUATION	155,522,744

AMOUNT OF DEBT APPLICABLE TO LIMIT

Total Bonded Debt and Long-Term Notes Payable	127,482,771	
Less:		
Revenue Bonds and Notes Payable		
Sewer Revolving Notes Payable	9,223,774	
Water Revolving Notes Payable	17,239,288	
Water Revenue Bonds	<u>3,240,000</u>	
	29,703,062	
Amount Available for Repayment of General Obligation Debt	<u>4,924,215</u>	
DEBT APPLICABLE TO DEBT LIMIT		<u>92,855,494</u>
LEGAL DEBT MARGIN		<u><u>\$ 62,667,250</u></u>

TABLE XIII

CITY OF SIOUX CITY, IOWA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES (1)(2)
LAST TEN FISCAL YEARS

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	TOTAL GENERAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES
1995	\$ 7,396,740	\$ 3,526,696	\$ 10,923,436	\$ 57,097,565	19.13%
1996 (3)	8,119,140	3,828,386	11,947,526	58,614,916	20.38%
1997 (4)	9,493,720	3,802,697	13,296,417	62,712,518	21.20%
1998 (5)	13,230,006	3,806,548	17,036,554	68,315,850	24.94%
1999	9,209,120	3,549,810	12,758,930	62,769,517	20.33%
2000	9,378,376	3,442,313	12,820,689	66,158,178	19.38%
2001 (6)	15,366,713	3,268,578	18,635,291	75,026,650	24.84%
2002 (7)	13,589,281	3,458,879	17,048,160	78,641,170	21.68%
2003 (8)	14,519,086	3,738,074	18,257,160	81,298,013	22.46%
2004 (9)	\$ 13,424,556	\$ 3,646,095	\$ 17,070,651	\$ 81,320,377	20.99%

NOTES:

- (1) Includes General, Special Revenue and Debt Service Funds.
- (2) GAAP Basis.
- (3) Includes \$ 650,000 General Obligation Bonds that were defeased.
- (4) Includes \$1,137,120 General Obligation Bonds that were defeased.
- (5) Includes \$3,565,300 General Obligation Bonds that were defeased.
- (6) Includes \$5,300,000 General Obligation Bonds that were defeased.
- (7) Includes \$3,960,000 General Obligation Bonds that were defeased.
- (8) Includes \$4,446,245 General Obligation Bonds that were defeased.
- (9) Includes \$2,528,000 General Obligation Bonds that were defeased.

CITY OF SIOUX CITY, IOWA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION	ASSESSED VALUE	GROSS BONDED DEBT	DEBT SERVICE MONIES AVAILABLE
1995	80,505	\$ 1,914,768,180	\$ 79,720,000	\$ 5,045,124
1996	80,505	1,989,442,647	81,750,000	3,554,197
1997	80,505	2,212,260,525	80,850,000	2,268,527
1998	80,505	2,251,082,220	79,530,000	1,958,171
1999	80,505	2,693,466,782	78,870,000	437,474
2000	80,505	2,714,025,302	78,085,000	3,081,924
2001	85,013	2,796,185,833	80,725,000	2,454,780
2002	85,013	2,888,264,905	86,385,000	4,061,206
2003	85,013	3,074,044,828	100,925,000	3,802,491
2004	85,013	\$ 3,110,454,871	\$ 100,375,000	\$ 4,924,215

SOURCE: U.S. Bureau of the Census and Woodbury County Auditor

TABLE XIV

DEBT PAYABLE FROM ENTERPRISE & OTHER REVENUES	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
\$ 15,832,033	\$ 58,842,843	0.0308 to 1	\$ 730.92
19,831,028	58,364,775	0.0297 to 1	724.98
18,792,413	59,789,060	0.0270 to 1	742.68
18,109,356	59,462,473	0.0264 to 1	738.62
16,829,726	61,602,800	0.0229 to 1	765.20
15,945,348	59,057,728	0.0218 to 1	733.59
15,903,791	62,366,429	0.0223 to 1	733.61
14,976,150	67,347,644	0.0234 to 1	792.20
12,884,561	84,237,948	0.0274 to 1	990.88
\$ 11,332,379	\$ 84,118,406	0.0270 to 1	\$ 989.48

**CITY OF SIOUX CITY, IOWA
REVENUE BOND COVERAGE
WATER AND PARKING
LAST TEN FISCAL YEARS(1)**

FISCAL YEAR	NET REVENUE	DIRECT OPERATING EXPENSES	DEPRECIATION INCLUDED IN EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	PAYMENTS ON PRINCIPAL
1995	\$ 6,456,692	\$ 6,058,999	\$ 986,882	\$ 397,693	\$ 465,000
1996	6,572,290	5,568,682	1,062,558	1,003,608	475,000
1997	6,437,857	5,146,456	1,139,170	1,291,401	505,000
1998	7,184,115	5,846,176	1,202,611	1,337,939	540,000
1999 (2)	7,216,228	6,396,282	1,225,369	819,946	565,000
2000	7,150,112	5,164,470	1,109,523	1,985,642	450,000
2001	6,801,222	5,760,247	1,173,733	1,040,975	475,000
2002	7,227,982	5,866,852	1,372,715	1,361,130	540,000
2003	7,380,118	10,061,662	1,521,262	(2,681,544)	580,000
2004	\$ 7,742,305	\$ 10,979,959	\$ 1,519,685	\$ (3,237,654)	\$ 600,000

NOTES:

(1) GAAP Basis.

(2) In Fiscal 1999 the Parking Revenue Bonds were retired.

TABLE XV

PAYMENTS FOR INTEREST	TOTAL DEBT SERVICE PAYMENTS	COVERAGE	NET REVENUE AVAILABLE FOR DEBT SERVICE PLUS DEPRECIATION	COVERAGE WITHOUT DEPRECIATION
\$ 507,568	\$ 972,568	0.41	\$ 1,384,575	1.42
463,854	938,854	1.07	2,066,166	2.20
454,919	959,919	1.35	2,430,571	2.53
426,618	966,618	1.38	2,540,550	2.63
396,343	961,343	0.85	2,045,315	2.13
364,544	814,544	2.44	3,095,165	3.80
339,794	814,794	1.28	2,214,708	2.72
239,019	779,019	1.75	2,733,845	3.51
197,682	777,682	(3.45)	(1,160,282)	(1.49)
\$ 173,033	\$ 773,033	(4.19)	\$ (1,717,969)	(2.22)

**CITY OF SIOUX CITY, IOWA
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS**

FISCAL YEAR	COMMERCIAL CONSTRUCTION (1)		RESIDENTIAL CONSTRUCTION (1)		INSTITUTIONAL CONSTRUCTION (1)	
	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE
1995	267	\$ 23,117,793	913	\$ 15,069,362	16	\$ 3,083,975
1996 (4)	215	25,059,458	572	11,432,341	27	3,212,119
1997	204	21,761,804	568	7,363,232	11	1,166,150
1998	248	27,057,175	662	9,718,472	46	6,686,989
1999	341	42,719,913	909	14,006,949	45	8,626,735
2000	171	33,948,246	855	6,773,144	22	16,902,073
2001	381	50,962,660	849	6,553,949	11	14,462,594
2002	347	89,193,578	991	14,093,553	28	3,904,703
2003	435	96,589,976	841	11,076,078	27	30,925,230
2004	466	\$ 82,600,459	843	\$ 19,917,765	10	\$ 9,654,216

SOURCES/NOTES:

- (1) Inspections Department, City of Sioux City
- (2) Iowa Department of Banking
- (3) Woodbury County Auditor's Office
- (4) Due to a change in State banking laws this information is no longer applicable at the local level.

TABLE XVI

BANK DEPOSITS CALENDAR YEAR (2) (000'S) (4)	January 1 PROPERTY VALUE (3)		
	COMMERCIAL	RESIDENTIAL	OTHER
\$ 526,539	\$ 462,282,932	\$ 1,265,980,205	\$ 186,505,043
---	484,104,452	1,279,647,752	225,690,443
---	495,748,667	1,507,243,672	209,268,186
---	504,226,585	1,481,479,931	265,375,704
---	649,037,864	1,744,189,173	300,239,745
---	593,555,859	1,939,846,338	180,623,105
---	614,720,564	2,013,514,068	167,951,201
---	634,402,781	2,079,110,930	174,751,194
---	828,293,025	1,975,848,308	269,903,495
\$ ---	\$ 764,549,807	\$ 2,091,780,901	\$ 254,124,163

TABLE XVII

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF BUILDING PERMITS ISSUED AND PROPERTY VALUES
LAST TEN FISCAL YEARS**

FISCAL YEAR	NUMBER OF PERMITS	RESIDENTIAL	INDUSTRIAL/ COMMERCIAL	TOTAL VALUE
1995	1,196	\$ 15,069,362	\$ 26,201,768	\$ 41,271,130
1996	814	11,432,341	28,271,577	39,703,918
1997	783	7,363,232	22,927,954	30,291,186
1998	956	9,718,472	33,744,164	43,462,636
1999	1,295	14,006,949	51,346,648	65,353,597
2000	1,048	6,773,144	50,850,319	57,623,463
2001	1,241	6,553,949	65,425,254	71,979,203
2002	1,366	14,093,553	93,098,281	107,191,834
2003	1,303	11,076,078	127,515,206	138,591,284
2004	1,319	\$ 19,917,765	\$ 92,254,675	\$ 112,172,440

SOURCE: City of Sioux City Inspections Department

**CITY OF SIOUX CITY, IOWA
POPULATION STATISTICS**

CALENDAR YEAR	POPULATION (3)	PER CAPITA INCOME (3)	MEDIAN AGE (3)	SCHOOL ENROLLMENT (1)	UNEMPLOYMENT RATE (2)
1970	85,925	\$ 3,611	28.6	18,435	3.70%
1980	82,003	\$ 9,289	29.8	13,934	5.30%
1990	80,505	\$ 10,146	32.1	14,477	4.60%
2000	85,013	\$ 12,218	34.2	14,672	3.10%

SOURCES:

- (1) Iowa Department of Education
- (2) Iowa Department of Job Service
- (3) U.S. Census Bureau

**CITY OF SIOUX CITY, IOWA
DEMOGRAPHIC STATISTICAL DATA**

**TABLE XIX
Page 1 of 2**

Government Data

Date of Incorporation	May 5, 1855	Form of Government	Council/Manager
Last Municipal Election	November 4, 2003	Last Special Election Purpose	August 5, 2003 City Change of Government
Registered Voters	42,465	Number of Votes Cast	11,683
Number of Votes Cast	9,102		
% Registered Voters Voting	21%		
City Employees			
Civil Service - Permanent	516		
Non-Civil Service - Permanent	238		
Temporary	343		

Geographic Data

Area (Square Miles)	60	Miles of Streets	510
		Paved	441
		Unpaved	69
Miles of Sidewalks	497		
Miles of Sewer	520	Number of Street Lights	7,512
Storm	200	City Owned	1,339
Sanitary	320	Utility Owned	6,173

Service Data

<u>Health Facilities</u>		<u>Leisure Services</u>	
Hospitals	2	Parks	57
		Number of Acres of Parks	1,425
Medical Personnel		Number of Golf Courses (18 hole)	2
MD(s)	178	Number of Swimming Pools Maintained	5
DO(s)	23	Number of Municipal Tennis Courts	22
Dentist(s)	51	Number of Play fields	29
Other	41	Number of Softball Diamonds	13
		Number of Baseball Diamonds	34
		Number of Soccer Fields	10
		Number of Miles of Recreational Trails	17

**CITY OF SIOUX CITY, IOWA
DEMOGRAPHIC STATISTICAL DATA**

**TABLE XIX
Page 2 of 2**

Service Data

Education Facilities

Elementary	27
Middle School	7
High School	5
Technical Community College	1
Four-Year College	2

Cemeteries

Number of Facilities	3
Number of Acres	225
Number of Acres Maintained	180

Fire Protection

Number of Stations	7
Number of Employees	103

Police Protection

Number of Stations	1
Number of Employees	117

Transportation

Air Service
 Northwest Airlines
 Northwest Airlink

Utilities

Electricity	Privately Owned
Natural Gas	Privately Owned
Sanitation	City Owned
Solid Waste	City Owned
Telephone	Privately Owned
Water	City Owned

Barge Service

Motor Carrier

Rail Service

 Burlington Northern
 Chicago and Northwestern
 Illinois Central Gulf

TABLE XX

**CITY OF SIOUX CITY, IOWA
PRINCIPAL TAXPAYERS AND THEIR ASSESSED VALUATIONS
JUNE 30, 2004**

TAXPAYER	TYPE OF BUSINESS	2002 ASSESSED VALUE	% OF TOTAL ASSESSED VALUE
MIDAMERICAN ENERGY	Public Utility	\$ 131,713,549	4.23%
SOUTHERN HILLS MALL	Shopping Center	67,893,300	2.18%
WA KLINGER	Construction & Developer	28,132,200	0.90%
DAVENPORT ET AL	Real Estate	27,355,200	0.88%
CLOVERLEAF COLD STORAGE	Meat Processing & Storage	23,789,300	0.76%
LARRY BOOK	Holding Company	22,809,300	0.73%
ST LUKE'S HEALTH RESOURCES	Medical Holding Company	22,232,400	0.71%
QWEST	Public Utility	15,793,139	0.51%
WALMART	Retail Store	14,532,200	0.47%
HANDY LC	Developer	13,682,400	0.44%
CARGILL INC.	Soybean Processing	11,311,800	0.36%
MENARDS	Retail Store	9,447,700	0.30%
SOOLAND CABLECOM	Cable Provider	8,729,300	0.28%
TERRA TOWERS	Holding Company	7,948,800	0.26%
SECURITY NATIONAL BANK	Banking	6,836,900	0.22%
FIRST FEDERAL SAVINGS	Savings and Loan	6,708,600	0.22%
SIOUX HONEY	Honey Manufacturer	6,613,600	0.21%
US BANK	Banking	6,596,800	0.21%
GREAT PLAINS REAL ESTATE	Developer	6,441,400	0.21%
WILLIAMS BROTHERS PIPELINE	Pipeline Company	6,350,436	0.20%

CITY OF SIOUX CITY, IOWA

ADDITIONAL INFORMATION

**CITY OF SIOUX CITY HOUSING AUTHORITY
BALANCE SHEET
JUNE 30, 2004**

EXHIBIT E-1

Performance Center Project Project No.	625-007 IA018V0	625-040 IA018NC009	GRAND TOTAL (MEMORANDUM ONLY)
Contract No.	<u>KC9030V</u>	<u>KC9030</u>	<u>ONLY</u>
<u>ASSETS</u>			
Cash	\$ 319,658	\$ 10,692	\$ 330,350
Accounts Receivable	17,731	---	17,731
Hud Receivable	---	8,126	8,126
Prepaid Housing Assistance	314,960	14,857	329,817
Total Assets	<u>652,349</u>	<u>33,675</u>	<u>686,024</u>
<u>LIABILITIES & DEFERRED CREDITS</u>			
Accounts Payable	1,108	---	1,108
Security Deposits	22,002	---	22,002
HUD Payable	116,725	---	116,725
Accrued Liabilities	92,591	2,685	95,276
Total Liabilities	<u>232,426</u>	<u>2,685</u>	<u>235,111</u>
<u>EQUITY:</u>			
Unrestricted Net Assets	419,923	30,990	450,913
Total Liabilities & Equity/Net Assets	<u>\$ 652,349</u>	<u>\$ 33,675</u>	<u>\$ 686,024</u>

CITY OF SIOUX CITY, IOWA
SCHEDULE OF SIOUX CITY FEDERAL HOUSING AUTHORITY
ANALYSIS OF GENERAL FUND CASH
JUNE 30, 2004

EXHIBIT E-2

Performance Center Project	625-007	625-040	GRAND
Project No.	IA018V0	IA018NC0009	TOTALS
			(MEMORANDUM
Contract No.	<u>KC9030V</u>	<u>KC9030</u>	<u>ONLY</u>)

COMPOSITION BEFORE ADJUSTMENTS

Net Operating Receipts Retained:

Total Net Assets	\$ 419,923	\$ 30,990	\$ 450,913
Total	<u>419,923</u>	<u>30,990</u>	<u>450,913</u>

ADJUSTMENTS

Expenses Not Paid/(Prepaid):

Accounts Payable	1,108	---	1,108
Interprogram Payable	---	---	---
Accrued Wages	92,591	2,685	95,276
HUD Payable	116,725	---	116,725
Security Deposits	22,002	---	22,002
Prepaid Rent	(314,960)	(14,857)	(329,817)

Income Not Received:

HUD Receivable	---	(8,126)	(8,126)
Accounts Receivable	(17,731)	---	(17,731)
Interprogram Receivable	---	---	---

General Fund Cash Available	<u>\$ 319,658</u>	<u>\$ 10,692</u>	<u>\$ 330,350</u>
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**CITY OF SIOUX CITY, IOWA
SCHEDULE OF SALARY AND TRAVEL EXPENSES
FOR TEN HIGHEST PAID EMPLOYEES
FOR THE YEAR ENDED JUNE 30, 2004**

EXHIBIT E-3

NAME	SALARY	ALLOWANCES/ REIMBURSED EXPENSES	DESCRIPTION
Paul A. Eckert, City Manager	\$97,000	\$ 4,768	Travel reimbursement
Dennis J. Gann, Executive Director CCAT	\$92,208	\$ 1,885	Travel reimbursement
John J. Malloy, Information Services Director	\$90,555	\$ 526	Travel reimbursement
John P. Meyers Jr., Finance Director	\$89,882	\$ 1,690	Travel/auto allowance
Joseph C. Frisbie, Police Chief	\$89,882	\$ 1,044	Travel/clothing allowance
Robert A. Hamilton, Fire Chief	\$89,882	\$ 562	Travel reimbursement
Paul V. Nolan, Environmental Services Director	\$89,882	\$ 1,582	Travel reimbursement
Jerry L. Hanson, Community Development Director	\$89,882	\$ 632	Travel reimbursement
Robert K. Padmore, Administrative Services Director	\$89,882	\$ 22	Travel reimbursement
James L. Abshier, City Attorney	\$88,878	\$ 1,219	Travel reimbursement

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2004**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 11/1/96				
Amount Issued: \$11,175,000				
City Project # 911-127				
Matures:	2005	4.90%	900,000	
	2006	5.00%	1,000,000	
	2007	5.00%	1,000,000	
	2008	5.00%	1,000,000	
	2009	5.00%	1,000,000	
			<hr/>	
				\$4,900,000
Type: Corporate Purpose				
Issued: 12/1/97				
Amount Issued: \$10,000,000				
City Project # 911-129				
Matures:	2005	4.40%	800,000	
	2006	4.40%	800,000	
	2007	4.40%	800,000	
	2008	4.50%	800,000	
	2009	4.50%	800,000	
	2010	4.50%	800,000	
			<hr/>	
				\$4,800,000
Type: Corporate Purpose				
Issued: 12/1/98				
Amount Issued: \$9,975,000				
City Project # 911-131				
Matures:	2005	4.00%	800,000	
	2006	4.00%	800,000	
	2007	4.00%	800,000	
	2008	4.00%	800,000	
	2009	4.00%	800,000	
	2010	4.00%	800,000	
	2011	4.00%	800,000	
			<hr/>	
				\$5,600,000

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2004**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/99				
Amount Issued: \$10,000,000				
City Project # 911-133				
Matures:	2005	4.60%	835,000	
	2006	4.65%	835,000	
	2007	4.70%	835,000	
	2008	4.80%	835,000	
	2009	4.88%	830,000	
	2010	4.95%	830,000	
	2011	5.00%	830,000	
	2012	5.00%	830,000	
				\$6,660,000
Type: Corporate Purpose				
Issued: 12/1/01				
Amount Issued: \$15,000,000				
City Project # 911-134				
Matures:	2005	4.63%	1,250,000	
	2006	4.63%	1,250,000	
	2007	4.63%	1,250,000	
	2008	4.70%	1,250,000	
	2009	4.70%	1,250,000	
	2010	4.75%	1,250,000	
	2011	4.80%	1,250,000	
	2012	5.00%	1,250,000	
	2013	5.00%	1,250,000	
				\$11,250,000

CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2004

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 11/1/01				
Amount Issued: \$17,450,000				
City Project # 911-135				
Matures:	2005	3.50%	1,455,000	
	2006	3.75%	1,455,000	
	2007	4.00%	1,455,000	
	2008	4.00%	1,455,000	
	2009	4.00%	1,455,000	
	2010	4.00%	1,455,000	
	2011	4.00%	1,455,000	
	2012	4.20%	1,455,000	
	2013	4.30%	1,450,000	
	2014	4.40%	<u>1,450,000</u>	
				\$14,540,000
Type: Corporate Purpose				
Issued: 12/1/00				
Amount Issued: \$5,370,000				
City Project # 911-136				
Matures:	2005	4.45%	755,000	
	2006	4.45%	750,000	
	2007	4.45%	<u>740,000</u>	
				\$2,245,000
Type: Corporate Purpose				
Issued: 11/1/01				
Amount Issued: \$6,155,000				
City Project # 911-137				
Matures:	2005	4.00%	1,535,000	
	2006	4.00%	1,495,000	
	2007	4.00%	<u>1,460,000</u>	
				\$4,490,000

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2004**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/02				
Amount Issued: \$7,025,000				
City Project # 911-138				
Matures:	2005	3.00%	585,000	
	2006	3.00%	585,000	
	2007	3.00%	585,000	
	2008	3.25%	585,000	
	2009	3.50%	585,000	
	2010	3.75%	585,000	
	2011	4.00%	585,000	
	2012	4.00%	585,000	
	2013	4.00%	585,000	
	2014	4.25%	585,000	
	2015	4.25%	<u>585,000</u>	
				\$6,435,000
Type: Corporate Purpose				
Issued: 7/1/02				
Amount Issued: \$15,345,000				
City Project # 911-139				
Matures:	2005	2.50%	2,000,000	
	2006	3.00%	3,200,000	
	2007	3.00%	3,300,000	
	2008	3.30%	3,200,000	
	2009	3.50%	<u>2,645,000</u>	
				\$14,345,000
Type: Corporate Purpose				
Issued: 11/1/02				
Amount Issued: \$4,725,000				
City Project # 911-140				
Matures:	2005	2.75%	1,200,000	
	2006	2.75%	<u>1,090,000</u>	
				\$2,290,000

CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2004

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/02				
Amount Issued: \$4,325,000				
City Project # 911-141				
Matures:	2005	2.50%	360,000	
	2006	2.75%	360,000	
	2007	3.00%	360,000	
	2008	3.25%	360,000	
	2009	3.25%	360,000	
	2010	3.40%	360,000	
	2011	3.50%	360,000	
	2012	3.60%	360,000	
	2013	3.75%	360,000	
	2014	4.00%	360,000	
	2015	4.10%	360,000	
				\$3,960,000
Type: Corporate Purpose				
Issued: 12/1/03				
Amount Issued: \$6,315,000				
City Project # 911-142				
Matures:	2005	2.00%	635,000	
	2006	2.50%	635,000	
	2007	2.50%	635,000	
	2008	2.75%	630,000	
	2009	3.00%	630,000	
	2010	3.25%	630,000	
	2011	3.50%	630,000	
	2012	3.50%	630,000	
	2013	3.50%	630,000	
	2014	3.62%	630,000	
				\$6,315,000

**CITY OF SIOUX CITY, IOWA
SCHEDULE OF INDIVIDUAL BOND MATURITIES
JUNE 30, 2004**

		<u>Interest Rate</u>	<u>Amount</u>	<u>Total</u>
<u>GENERAL OBLIGATION BONDS</u>				
Type: Corporate Purpose				
Issued: 12/1/03				
Amount Issued: \$6,085,000				
City Project # 911-143				
Matures:	2005	2.00%	685,000	
	2006	2.00%	600,000	
	2007	2.00%	600,000	
	2008	2.50%	600,000	
	2009	3.00%	600,000	
	2010	3.00%	600,000	
	2011	3.00%	600,000	
	2012	3.25%	600,000	
	2013	3.40%	600,000	
	2014	3.50%	600,000	
				\$6,085,000
Type: Corporate Purpose				
Issued: 3/1/04				
Amount Issued: \$3,220,000				
City Project # 911-145				
Matures:	2005	2.00%	820,000	
	2006	2.00%	820,000	
	2007	2.00%	800,000	
	2008	2.00%	780,000	
				\$3,220,000
Total General Obligation Bonds				<u>\$97,135,000</u>
<u>REVENUE BONDS</u>				
Type: Water				
Issued: 9/1/92				
Amount Issued: \$8,200,000				
City Project # 921-001				
Matures:	2005	4.50%	645,000	
	2006	4.50%	680,000	
	2007	4.50%	720,000	
	2008	4.50%	730,000	
	2009	4.55%	465,000	
				\$3,240,000
Total Revenue Bonds				<u>\$3,240,000</u>
Total				<u>\$100,375,000</u>



Sioux City®

**CITY OF SIOUX CITY, IOWA
SINGLE AUDIT SECTION**

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2004

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
FEDERAL AWARDS					
DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					
Section 8 Certificate New Construction Program	14.182	IA018NC0009	\$ 230,884	\$ 174,432	\$ 176,833
Community Development Block Grant Entitlement	14.218	B-01-MC-19-0006	2,456,000	822,540	736,565
	14.218	B-02-MC-19-0006	2,432,000	1,436,137	1,076,765
Emergency Shelter Grant	14.231	S-00-MC-19-0002	83,000	---	23
	14.231	S-01-MC-19-0002	84,000	4,200	1,071
	14.231	S-02-MC-19-0002	84,000	14,308	9,974
	14.231	S-03-MC-19-0002	83,000	56,483	60,633
Supportive Housing Program/Continuum of Care	14.235	IA 26B900002	421,936	4,748	4,748
	14.235	IA 26B000002	240,187	82,560	33,901
	14.235	IA 26B000001	177,900	39,226	39,218
	14.235	IA 26B000003	594,506	133,045	114,981
	14.235	IA 26B100002	411,723	81,216	81,218
	14.235	IA 26B200001	184,527	163,296	163,296
	14.235	IA 26B100001	492,104	108,411	129,845
Home Investment Partnerships Program	14.239	M-01-DC-19-0207	707,000	226,051	308,427
	14.239	M-02-DC-19-0207	710,000	678,420	496,646
EDI Special Projects Program	14.246	B-00-SP-IA-0112	925,000	20,418	17,691
Fair Housing Assistance Program	14.401	FF207K027018	230,000	115,000	67,757
Public Housing Comprehensive Improvement Asst	14.852	IA05P01850101	55,733	---	28,527
	14.852	IA05P01850102	30,240	30,240	30,240
Section 8 Voucher Program	14.871	IA018VO0074-V0077	4,724,674	4,757,227	4,590,039
Section 8 Voucher Program-FSS	14.871	IA018VO00R04	62,000	61,992	62,000
Passed through Ia. Dept. of Economic Development					
Emergency Shelter Program	14.231	02ES009	44,499	14,588	12,388
	14.231	03ES009	86,000	59,547	59,643
DEPARTMENT OF PUBLIC SAFETY					
Passed through Governor's Office of Drug Control Policy					
Edward Byrne Memorial Formula Grant	16.579	02A-0207	191,314	2,748	---
	16.579	03A-0209	209,269	209,269	209,269
U.S. DEPARTMENT OF JUSTICE					
Local Law Enforcement Block Grants Program	16.592	02LBBX3022	67,582	---	10,551
	16.592	03LBBX2298	48,911	48,911	---
Bulletproof Vest Partnership Program	16.607	1999BUBX99002497	50,000	1,521	1,529
Office of Community Oriented Policing	16.710	02CKWXK005	2,099,907	1,258,335	509,944
	16.710	03CKWXK038	2,186,700	1,139,732	1,817,253
	16.710	2001SHWX10639	250,000	39,665	104,372
U.S. DEPARTMENT OF TRANSPORTATION					
Federal Aviation Administration					
Airport Improvement Project	20.106	AIP319008524	73,339	1,750	---
	20.106	AIP319008527	1,302,628	171,112	220,992
	20.106	AIP319008530	287,928	---	75,272
Passed through Iowa Department of Transportation					
Highway Planning and Construction	20.205	HDP7057(628)7197	3,422,025	1,338,326	1,402,385
	20.205	STPES7057(627)8197	287,000	219,539	---
	20.205	STPU7057(629)7097	1,466,000	540,941	101,578
	20.205	UST201(98)4A97	162,173	---	87,239
Surface Transportation Program	20.205	STPU7057(13)7097	3,290,000	4,770	---
	20.205	STPU7057(630)7097	2,097,600	---	382,300
Transportation Enhancement Program	20.205	STPE7057(622)8V97	\$ 242,200	\$ 12,962	\$ -

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2004

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
Transit JPA Capital Investment Assistance Prog	20.205 20.500 20.500	STPESE7057(631)8T97 IA-03-0092-705-01 IA-03-0095-705-02	\$ 400,116 500,626 679,320	\$ - 219,623 669,875	\$ 3,010 216,595 668,253
FEDERAL TRANSIT ADMINISTRATION					
Transit Capital Improvement Grants	20.500	IA90X187	527,705	19,851	9,896
Transit Operating Assistance	20.507 20.507 20.507 20.516	IA90X254 IA90X255 IA90X267 37-X006-705-01	930,458 778,054 1,080,066 152,500	19,740 11,320 20,357 151,925	28,720 11,320 37,633 ---
JPA Job Access/Reverse Commute Proj Passed through Iowa Department of Transportation					
Section 5309 Discretionary Capital	20.507	IA030081	7,825,646	522,079	180,860
DEPARTMENT OF PUBLIC SAFETY					
Passed through Governor's Traffic Safety Bureau					
Section 402 Highway Safety Grant	20.600 20.600	PAP 03-02, Task 26 PAP 04-163, Task 61	10,125 14,000	5,741 ---	1,463 4,049
Alcohol Incentive Grant	20.601	PAP 00-410, Task 36	17,000	7,367	9,191
DEPARTMENT OF NATURAL RESOURCES					
State Revolving Fund Program	66.458	CS192247 01	6,666,400	3,470,169	3,311,025
Drinking Water State Revolving Fund Program	66.468	FS-97-01-DWSRF-016	11,226,432	9,074,059	7,786,450
ENVIRONMENTAL PROTECTION AGENCY					
Brownfield Pilots Cooperative Agreement	66.811 66.811	BP997788-01-0 BL987064-01-0	350,000 1,000,000	44,000 1,800	50,019 2,747
U.S. DEPARTMENT OF HOMELAND SECURITY					
Urban Search & Rescue Task Force	97.004	Sioux City SHSGP I	250,000	---	27,625
OFFICE OF NATIONAL DRUG CONTROL POLICY					
High Intensity Drug Trafficking Area/HIDTA	N/A N/A	I3PMWP559 I4PMWP558	128,000 128,000	93,197 33,228	90,678 53,364
IOWA EMERGENCY MANAGEMENT DIVISION					
Flood Mitigation Assistance	83.536	FMA00-00001	12,900	129	---
Hazard Mitigation Grant Program-State	97.039 97.039 97.039 97.039	1121-0004 1133-0005 1230-0016 1230-0016	1,369 24,583 13,148 144,492	1,369 24,583 13,148 43,241	--- --- --- 34,426
Hazard Mitigation Grant Program-Federal					
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Passed through Ia. Dept. of Public Defense					
Fire Act Grant	83.544 83.544	EMW-2002-FG-06973 EMW-2003-FG-08756	57,536 133,560	57,536 133,560	57,536 127,584
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 28,711,563	\$ 25,937,557

CITY OF SIOUX CITY, IOWA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2004

Grantor Agency Program Name	Federal Domestic Assistance Catalog#	Grant #	Award	Grant Revenues	Grant Expenditures
STATE AWARDS					
IOWA DEPARTMENT OF CULTURAL AFFAIRS					
Cultural Enrichment		02-76	\$ 7,000	\$ -	\$ 930
		03-97	5,734	---	2,010
		04-007	3,200	3,200	3,197
IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT					
Business Development Cluster Analysis		04-F320-001	17,230	12,923	5,013
Brownfield Project Financial Assistance		02-BRN-05	600,000	319,294	522,797
IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT/DEPARTMENT OF TOURISM					
Vision Iowa		001-VI-004	21,000,000	11,539,259	10,123,681
IOWA DEPARTMENT OF TRANSPORTATION					
STA Joint Participation Agreement		STA-FORM-705-FY04	269,791	234,387	269,291
Urban State Traffic Engineering Program		UST751(71)4A97	101,474	13,434	---
Capital Improvements on Commercial Airports		CSV/SUX(13)9197	73,111	---	4,955
Law Enforcement Personnel Agreement		DTSA20-03-P-01616	134,979	73,722	89,072
Law Enforcement Personnel Agreement		SD-1542-02-01	287,500	21,956	---
STATE LIBRARY OF IOWA					
Enrich Iowa		Enrich Iowa FY04	21,041	21,041	21,041
Library Infrastructure Program/Rebuild Iowa		Rebuild Iowa FY04	12,370	12,370	9,303
IOWA DEPARTMENT OF NATURAL RESOURCES					
Sustainable Electronics Collection Program		03-G550-27	3,250	2,161	2,345
Toxic Cleanup Day		04-G340-04	12,637	---	12,637
Household Hazardous Materials Education Grant		02-9220-03	9,347	---	625
Land & Water Conservation Fund		19-01187	90,000	---	7,187
		19-01205	\$ 18,000	18,000	---
TOTAL STATE FINANCIAL ASSISTANCE				<u>12,271,747</u>	<u>11,074,084</u>
TOTAL FEDERAL & STATE FINANCIAL ASSISTANCE				<u>\$ 40,983,310</u>	<u>\$ 37,011,641</u>

CITY OF SIOUX CITY, IOWA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2004

- (1) The reporting entity for purposes of the Schedule of Expenditures of Federal Awards is the same as used for reporting on the comprehensive annual financial report.
- (2) The Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting.
- (3) The City administers various loan programs, including the collection of principal and interest, for the Federal government. The City is also in the process of selling its public housing units. The amount of the silent second mortgages is the difference between the appraised value and the selling price. The mortgage is forgiven after the buyer has owned the home for seven years. The outstanding balances of these programs at June 30, 2004 are:

	<u>Balance</u>
CDBG loans	\$673,129
CDBG deferred loans	663,245
Public Hsg Silent 2nd Mortgages	163,150

- (4) The City accepts and approves loan applications under the Section 312 loan program. However, the proceeds of loans from the Federal government and repayment to the Federal government are not administered by the City and are not included in the current year activity for purposes of the Schedule of Expenditures of Federal Awards.

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2004

1. Summary of Auditor's Results

- a. An unqualified opinion was issued on the financial statements.
- b. No reportable conditions in internal control were disclosed by the audit of the financial statements.
- c. No noncompliance which is material to the financial statements was disclosed.
- d. No reportable conditions in internal control over major programs were disclosed.
- e. An unqualified opinion was issued on compliance with requirements applicable to each major program.
- f. The Audit disclosed no audit findings which were required to be reported in accordance with OMB Circular A-133 section .510(a)
- g. Major programs:

Section 8 Voucher Program	CFDA #14.871
Community Oriented Policing Grant	CFDA #16.710
Federal Transit - Capital Investment Grant	CFDA #20.500
Capitalization Grants for Drinking Water	
State Revolving Fund	CFDA #66.468

- h. Dollar threshold used to distinguish between Type A and Type B programs \$445,554.
- i. The Auditee did qualify as a low-risk auditee under Section .530 of OMB Circular A-133.

2. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards – None.

3. Findings and Questioned Costs Relating to Federal Awards – None.

4. Summary Schedule of Prior Audit Findings – There were no prior year audit findings.

5. Other Findings Related to Required Statutory Reporting

04-5-A – Official Depositories – A resolution naming depositories has been approved by the City Council. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2004.

04-5-B – Certified Budget – City expenditures during the year ended June 30, 2004 did not exceed the amounts budgeted.

04-5-C – Travel Expense – No expenditures of City money for travel expenses of spouses of City officials or employees were noted.

CITY OF SIOUX CITY, IOWA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2004

5. Other Findings Related to Required Statutory Reporting (Continued)

- 04-5-D – Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to insure that the coverage is adequate for current operations.
- 04-5-E – Council Minutes – We noted no transactions requiring approval, which had not been approved by the City Council.
- 04-5-F – Questionable Expenditures – We noted no questionable expenditures during our audit.
- 04-5-G – Revenue Bonds – No violations of revenue bond resolutions were noted.
- 04-5-H – Business Transactions – No business transactions between the City and City officials or employees were noted.
- 04-5-I – Cash and Investments – We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy.

**CITY OF SIOUX CITY, IOWA
PASSENGER FACILITY CHARGES**

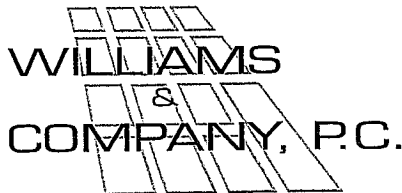
PFC Revenue and Disbursement Schedule
Sioux Gateway Airport/Col. Bud Day Field Airport Authority
7/1/03 - 6/30/04

	FY-03 Program Total	Quarter 1 July - Sept.	Quarter 2 Oct. - Dec.	Quarter 3 Jan. - March	Quarter 4 April - June	FY-04 Total	FY-04 Program Total
Revenue:							
Collections	2,339,665	40,701	44,034	25,854	960	111,549	2,451,214
Interest	1,676	-	-	-	-	-	1,676
Total Revenue	2,341,341	40,701	44,034	25,854	960	111,549	2,452,890
Disbursements:							
Application #1							
Taxiway C Extension	71,875	-	-	-	-	-	71,875
Snow Equip. & Fencing	38,347	-	-	-	-	-	38,347
Security Access	144,215	-	-	-	-	-	144,215
Snow Sweeper	21,000	-	-	-	-	-	21,000
Taxiway A & E	10,440	-	-	-	-	-	10,440
Total Application #1	285,877	-	-	-	-	-	285,877
Application #2							
Term. Access Road	493,138	-	-	-	-	-	493,138
Financing & Interest	243,428	-	-	-	-	-	243,428
Airfield Signage/Marking	61,160	-	-	-	-	-	61,160
Financing & Interest	30,316	-	-	-	-	-	30,316
Snow Removal Equip.	6,240	-	-	-	-	-	6,240
Runway 13/31 Rehab.	528,087	-	-	-	-	-	528,087
Financing & Interest	260,690	-	-	-	-	-	260,690
Taxiway A & E Constr. (impose)	25,899	-	-	-	-	-	25,899
Financing & Interest (impose)	14,348	-	-	-	-	-	14,348
Total Application #2	1,663,306	-	-	-	-	-	1,663,306
Application #3							
Taxiway Alpha	134,515	-	-	-	-	-	134,515
Financing & Interest	53,363	-	-	-	-	-	53,363
Taxiway Echo	60,200	-	-	-	-	-	60,200
Financing & Interest	23,887	-	-	-	-	-	23,887
AirCarrier (SIDA) Ramp	246,600	-	-	-	-	-	246,600
Financing & Interest	97,806	-	-	-	-	-	97,806
Taxiway Bravo	15,400	-	-	-	-	-	15,400
Financing & Interest	6,058	-	-	-	-	-	6,058
Taxiway Charlie	14,479	-	-	124,721	-	124,721	139,200
Financing & Interest	12,429	-	-	42,775	-	42,775	55,204
Snow Plow (#29) Replace	20,990	-	-	-	-	-	20,990
Financing & Interest	8,327	-	-	-	-	-	8,327
Airport Master Plan	15,000	-	-	-	-	-	15,000
Financing & Interest	5,951	-	-	-	-	-	5,951
Total Application #3	715,005	-	-	167,496	-	167,496	882,501
Application #4							
Project	-	-	-	152,646	-	152,646	152,646
Total Application #4	-	-	-	152,646	-	152,646	152,646
Total Disbursements	2,664,188	-	-	320,142	-	320,142	2,984,330
Net PFC Revenue (rev. - disb.)		40,701	44,034	(294,288)	960	(208,593)	
PFC Account Balance	(322,847)	40,701	44,034	(294,288)	960	(208,593)	(531,440)

Notes:

1. Schedule is presented on the cash basis of accounting.

**CITY OF SIOUX CITY, IOWA
REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A133**



Certified Public Accountants

**Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control over Compliance in
Accordance with OMB Circular A-133**

The Honorable City Council
of the City of Sioux City, Iowa:

Compliance

We have audited the compliance of the City of Sioux City, Iowa (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

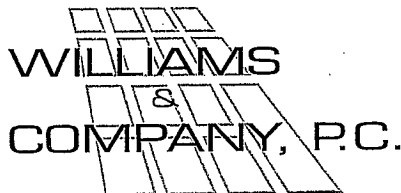
Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the members of the City Council, management and others within the City of Sioux City, Iowa, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

William & Company P.C.
Certified Public Accountants

October 8, 2004
Sioux City, Iowa

**CITY OF SIOUX CITY, IOWA
REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**



Certified Public Accountants

**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

The Honorable City Council
of the City of Sioux City, Iowa:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sioux City, Iowa (the City) as of and for the year ended June 30, 2004 which collectively comprise the City's basic financial statements and have issued our report thereon dated October 8, 2004. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the members of the City Council, management and others within the City of Sioux City, Iowa, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Williams & Company, P.C.
Certified Public Accountants

October 8, 2004
Sioux City, Iowa